

**SALES AND USE TAX - COMPUTER SOFTWARE AND OTHER
TANGIBLE PERSONAL PROPERTY AMENDMENTS**

2012 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill amends provisions in the Sales and Use Tax Act related to computer software and other tangible personal property.

Highlighted Provisions:

This bill:

- defines terms;
- addresses the detachment of certain tangible personal property, including prewritten computer software, from other tangible personal property;
- addresses the sales and use taxation of certain optional computer software maintenance contracts; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2012.

Utah Code Sections Affected:

AMENDS:

59-12-102, as last amended by Laws of Utah 2011, Chapters 14, 285, and 314

59-12-103, as last amended by Laws of Utah 2011, Chapters 285, 303, 342, and 441

59-12-104, as last amended by Laws of Utah 2011, Chapters 288, 314, 370, and 391

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-12-102** is amended to read:

59-12-102. Definitions.

As used in this chapter:

- 32 (1) "800 service" means a telecommunications service that:
- 33 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
- 34 (b) is typically marketed:
- 35 (i) under the name 800 toll-free calling;
- 36 (ii) under the name 855 toll-free calling;
- 37 (iii) under the name 866 toll-free calling;
- 38 (iv) under the name 877 toll-free calling;
- 39 (v) under the name 888 toll-free calling; or
- 40 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the
- 41 Federal Communications Commission.
- 42 (2) (a) "900 service" means an inbound toll telecommunications service that:
- 43 (i) a subscriber purchases;
- 44 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
- 45 the subscriber's:
- 46 (A) prerecorded announcement; or
- 47 (B) live service; and
- 48 (iii) is typically marketed:
- 49 (A) under the name 900 service; or
- 50 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
- 51 Communications Commission.
- 52 (b) "900 service" does not include a charge for:
- 53 (i) a collection service a seller of a telecommunications service provides to a
- 54 subscriber; or
- 55 (ii) the following a subscriber sells to the subscriber's customer:
- 56 (A) a product; or
- 57 (B) a service.
- 58 (3) (a) "Admission or user fees" includes season passes.
- 59 (b) "Admission or user fees" does not include annual membership dues to private
- 60 organizations.
- 61 (4) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
- 62 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax

63 Agreement after November 12, 2002.

64 (5) "Agreement combined tax rate" means the sum of the tax rates:

65 (a) listed under Subsection (6); and

66 (b) that are imposed within a local taxing jurisdiction.

67 (6) "Agreement sales and use tax" means a tax imposed under:

68 (a) Subsection 59-12-103(2)(a)(i)(A);

69 (b) Subsection 59-12-103(2)(b)(i);

70 (c) Subsection 59-12-103(2)(c)(i);

71 (d) Subsection 59-12-103(2)(d)(i)(A)(I);

72 (e) Section 59-12-204;

73 (f) Section 59-12-401;

74 (g) Section 59-12-402;

75 (h) Section 59-12-703;

76 (i) Section 59-12-802;

77 (j) Section 59-12-804;

78 (k) Section 59-12-1102;

79 (l) Section 59-12-1302;

80 (m) Section 59-12-1402;

81 (n) Section 59-12-1802;

82 (o) Section 59-12-2003;

83 (p) Section 59-12-2103;

84 (q) Section 59-12-2213;

85 (r) Section 59-12-2214;

86 (s) Section 59-12-2215;

87 (t) Section 59-12-2216;

88 (u) Section 59-12-2217; or

89 (v) Section 59-12-2218.

90 (7) "Aircraft" is as defined in Section 72-10-102.

91 (8) "Aircraft maintenance, repair, and overhaul provider" means a business entity:

92 (a) except for an airline as defined in Section 59-2-102 or an affiliated group as defined
93 in Subsection 59-12-107(1)(f) of an airline; and

(b) that has the workers, expertise, and facilities to perform the following, regardless of whether the business entity performs the following in this state:

(i) check, diagnose, overhaul, and repair:

(A) an onboard system of a fixed wing turbine powered aircraft; and

(B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;

(ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft engine;

(iii) perform at least the following maintenance on a fixed wing turbine powered aircraft:

(A) an inspection;

(B) a repair, including a structural repair or modification;

(C) changing landing gear; and

(D) addressing issues related to an aging fixed wing turbine powered aircraft;

(iv) completely remove the existing paint of a fixed wing turbine powered aircraft and completely apply new paint to the fixed wing turbine powered aircraft; and

(v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that results in a change in the fixed wing turbine powered aircraft's certification requirements by the authority that certifies the fixed wing turbine powered aircraft.

(9) "Alcoholic beverage" means a beverage that:

(a) is suitable for human consumption; and

(b) contains .5% or more alcohol by volume.

(10) (a) "Ancillary service" means a service associated with, or incidental to, the provision of telecommunications service.

(b) "Ancillary service" includes:

(i) a conference bridging service;

(ii) a detailed communications billing service;

(iii) directory assistance;

(iv) a vertical service; or

(v) a voice mail service.

(11) "Area agency on aging" is as defined in Section 62A-3-101.

(12) "Assisted amusement device" means an amusement device, skill device, or ride

125 device that is started and stopped by an individual:

126 (a) who is not the purchaser or renter of the right to use or operate the amusement
127 device, skill device, or ride device; and

128 (b) at the direction of the seller of the right to use the amusement device, skill device,
129 or ride device.

130 (13) "Assisted cleaning or washing of tangible personal property" means cleaning or
131 washing of tangible personal property if the cleaning or washing labor is primarily performed
132 by an individual:

133 (a) who is not the purchaser of the cleaning or washing of the tangible personal
134 property; and

135 (b) at the direction of the seller of the cleaning or washing of the tangible personal
136 property.

137 (14) "Authorized carrier" means:

138 (a) in the case of vehicles operated over public highways, the holder of credentials
139 indicating that the vehicle is or will be operated pursuant to both the International Registration
140 Plan and the International Fuel Tax Agreement;

141 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
142 certificate or air carrier's operating certificate; or

143 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
144 stock, the holder of a certificate issued by the United States Surface Transportation Board.

145 (15) (a) Except as provided in Subsection (15)(b), "biomass energy" means any of the
146 following that is used as the primary source of energy to produce fuel or electricity:

147 (i) material from a plant or tree; or

148 (ii) other organic matter that is available on a renewable basis, including:

149 (A) slash and brush from forests and woodlands;

150 (B) animal waste;

151 (C) methane produced:

152 (I) at landfills; or

153 (II) as a byproduct of the treatment of wastewater residuals;

154 (D) aquatic plants; and

155 (E) agricultural products.

- 156 (b) "Biomass energy" does not include:
- 157 (i) black liquor;
- 158 (ii) treated woods; or
- 159 (iii) biomass from municipal solid waste other than methane produced:
- 160 (A) at landfills; or
- 161 (B) as a byproduct of the treatment of wastewater residuals.
- 162 (16) (a) "Bundled transaction" means the sale of two or more items of tangible personal
- 163 property, products, or services if the tangible personal property, products, or services are:
- 164 (i) distinct and identifiable; and
- 165 (ii) sold for one nonitemized price.
- 166 (b) "Bundled transaction" does not include:
- 167 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
- 168 the basis of the selection by the purchaser of the items of tangible personal property included in
- 169 the transaction;
- 170 (ii) the sale of real property;
- 171 (iii) the sale of services to real property;
- 172 (iv) the retail sale of tangible personal property and a service if:
- 173 (A) the tangible personal property:
- 174 (I) is essential to the use of the service; and
- 175 (II) is provided exclusively in connection with the service; and
- 176 (B) the service is the true object of the transaction;
- 177 (v) the retail sale of two services if:
- 178 (A) one service is provided that is essential to the use or receipt of a second service;
- 179 (B) the first service is provided exclusively in connection with the second service; and
- 180 (C) the second service is the true object of the transaction;
- 181 (vi) a transaction that includes tangible personal property or a product subject to
- 182 taxation under this chapter and tangible personal property or a product that is not subject to
- 183 taxation under this chapter if the:
- 184 (A) seller's purchase price of the tangible personal property or product subject to
- 185 taxation under this chapter is de minimis; or
- 186 (B) seller's sales price of the tangible personal property or product subject to taxation

187 under this chapter is de minimis; and

188 (vii) the retail sale of tangible personal property that is not subject to taxation under

189 this chapter and tangible personal property that is subject to taxation under this chapter if:

190 (A) that retail sale includes:

191 (I) food and food ingredients;

192 (II) a drug;

193 (III) durable medical equipment;

194 (IV) mobility enhancing equipment;

195 (V) an over-the-counter drug;

196 (VI) a prosthetic device; or

197 (VII) a medical supply; and

198 (B) subject to Subsection (16)(f):

199 (I) the seller's purchase price of the tangible personal property subject to taxation under

200 this chapter is 50% or less of the seller's total purchase price of that retail sale; or

201 (II) the seller's sales price of the tangible personal property subject to taxation under

202 this chapter is 50% or less of the seller's total sales price of that retail sale.

203 (c) (i) For purposes of Subsection (16)(a)(i), tangible personal property, a product, or a

204 service that is distinct and identifiable does not include:

205 (A) packaging that:

206 (I) accompanies the sale of the tangible personal property, product, or service; and

207 (II) is incidental or immaterial to the sale of the tangible personal property, product, or

208 service;

209 (B) tangible personal property, a product, or a service provided free of charge with the

210 purchase of another item of tangible personal property, a product, or a service; or

211 (C) an item of tangible personal property, a product, or a service included in the

212 definition of "purchase price."

213 (ii) For purposes of Subsection (16)(c)(i)(B), an item of tangible personal property, a

214 product, or a service is provided free of charge with the purchase of another item of tangible

215 personal property, a product, or a service if the sales price of the purchased item of tangible

216 personal property, product, or service does not vary depending on the inclusion of the tangible

217 personal property, product, or service provided free of charge.

(d) (i) For purposes of Subsection (16)(a)(ii), property sold for one nonitemized price does not include a price that is separately identified by tangible personal property, product, or service on the following, regardless of whether the following is in paper format or electronic format:

(A) a binding sales document; or

(B) another supporting sales-related document that is available to a purchaser.

(ii) For purposes of Subsection (16)(d)(i), a binding sales document or another supporting sales-related document that is available to a purchaser includes:

(A) a bill of sale;

(B) a contract;

(C) an invoice;

(D) a lease agreement;

(E) a periodic notice of rates and services;

(F) a price list;

(G) a rate card;

(H) a receipt; or

(I) a service agreement.

(e) (i) For purposes of Subsection (16)(b)(vi), the sales price of tangible personal property or a product subject to taxation under this chapter is de minimis if:

(A) the seller's purchase price of the tangible personal property or product is 10% or less of the seller's total purchase price of the bundled transaction; or

(B) the seller's sales price of the tangible personal property or product is 10% or less of the seller's total sales price of the bundled transaction.

(ii) For purposes of Subsection (16)(b)(vi), a seller:

(A) shall use the seller's purchase price or the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis; and

(B) may not use a combination of the seller's purchase price and the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis.

(iii) For purposes of Subsection (16)(b)(vi), a seller shall use the full term of a service

contract to determine if the sales price of tangible personal property or a product is de minimis.

(f) For purposes of Subsection (16)(b)(vii)(B), a seller may not use a combination of the seller's purchase price and the seller's sales price to determine if tangible personal property subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales price of that retail sale.

(17) "Certified automated system" means software certified by the governing board of the agreement that:

(a) calculates the agreement sales and use tax imposed within a local taxing jurisdiction:

(i) on a transaction; and

(ii) in the states that are members of the agreement;

(b) determines the amount of agreement sales and use tax to remit to a state that is a member of the agreement; and

(c) maintains a record of the transaction described in Subsection (17)(a)(i).

(18) "Certified service provider" means an agent certified:

(a) by the governing board of the agreement; and

(b) to perform all of a seller's sales and use tax functions for an agreement sales and use tax other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases.

(19) (a) Subject to Subsection (19)(b), "clothing" means all human wearing apparel suitable for general use.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules:

(i) listing the items that constitute "clothing"; and

(ii) that are consistent with the list of items that constitute "clothing" under the agreement.

(20) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

(21) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other fuels that does not constitute industrial use under Subsection ~~[(48)]~~ (49) or residential use under Subsection ~~[(96)]~~ (98).

(22) (a) "Common carrier" means a person engaged in or transacting the business of

transporting passengers, freight, merchandise, or other property for hire within this state.

(b) (i) "Common carrier" does not include a person who, at the time the person is traveling to or from that person's place of employment, transports a passenger to or from the passenger's place of employment.

(ii) For purposes of Subsection (22)(b)(i), in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining what constitutes a person's place of employment.

(23) "Component part" includes:

(a) poultry, dairy, and other livestock feed, and their components;

(b) baling ties and twine used in the baling of hay and straw;

(c) fuel used for providing temperature control of orchards and commercial greenhouses doing a majority of their business in wholesale sales, and for providing power for off-highway type farm machinery; and

(d) feed, seeds, and seedlings.

(24) "Computer" means an electronic device that accepts information:

(a) (i) in digital form; or

(ii) in a form similar to digital form; and

(b) manipulates that information for a result based on a sequence of instructions.

(25) "Computer software" means a set of coded instructions designed to cause:

(a) a computer to perform a task; or

(b) automatic data processing equipment to perform a task.

(26) "Computer software maintenance contract" means a contract that obligates a seller of computer software to provide a customer with:

(a) future updates or upgrades to computer software;

(b) support services with respect to computer software; or

(c) a combination of Subsections (26)(a) and (b).

~~[(26)]~~ (27) (a) "Conference bridging service" means an ancillary service that links two or more participants of an audio conference call or video conference call.

(b) "Conference bridging service" may include providing a telephone number as part of the ancillary service described in Subsection ~~[(26)]~~ (27)(a).

(c) "Conference bridging service" does not include a telecommunications service used

311 to reach the ancillary service described in Subsection [~~(26)~~] (27)(a).

312 [~~(27)~~] (28) "Construction materials" means any tangible personal property that will be
313 converted into real property.

314 [~~(28)~~] (29) "Delivered electronically" means delivered to a purchaser by means other
315 than tangible storage media.

316 [~~(29)~~] (30) (a) "Delivery charge" means a charge:

317 (i) by a seller of:

318 (A) tangible personal property;

319 (B) a product transferred electronically; or

320 (C) services; and

321 (ii) for preparation and delivery of the tangible personal property, product transferred
322 electronically, or services described in Subsection [~~(29)~~] (30)(a)(i) to a location designated by
323 the purchaser.

324 (b) "Delivery charge" includes a charge for the following:

325 (i) transportation;

326 (ii) shipping;

327 (iii) postage;

328 (iv) handling;

329 (v) crating; or

330 (vi) packing.

331 [~~(30)~~] (31) "Detailed telecommunications billing service" means an ancillary service of
332 separately stating information pertaining to individual calls on a customer's billing statement.

333 [~~(31)~~] (32) "Dietary supplement" means a product, other than tobacco, that:

334 (a) is intended to supplement the diet;

335 (b) contains one or more of the following dietary ingredients:

336 (i) a vitamin;

337 (ii) a mineral;

338 (iii) an herb or other botanical;

339 (iv) an amino acid;

340 (v) a dietary substance for use by humans to supplement the diet by increasing the total
341 dietary intake; or

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in Subsections ~~[(31)]~~ (32)(b)(i) through (v);

(c) (i) except as provided in Subsection ~~[(31)]~~ (32)(c)(ii), is intended for ingestion in:

(A) tablet form;

(B) capsule form;

(C) powder form;

(D) softgel form;

(E) gelcap form; or

(F) liquid form; or

(ii) notwithstanding Subsection ~~[(31)]~~ (32)(c)(i), if the product is not intended for ingestion in a form described in Subsections ~~[(31)]~~ (32)(c)(i)(A) through (F), is not represented:

(A) as conventional food; and

(B) for use as a sole item of:

(I) a meal; or

(II) the diet; and

(d) is required to be labeled as a dietary supplement:

(i) identifiable by the "Supplemental Facts" box found on the label; and

(ii) as required by 21 C.F.R. Sec. 101.36.

~~[(32)]~~ (33) (a) "Direct mail" means printed material delivered or distributed by United States mail or other delivery service:

(i) to:

(A) a mass audience; or

(B) addressees on a mailing list provided:

(I) by a purchaser of the mailing list; or

(II) at the discretion of the purchaser of the mailing list; and

(ii) if the cost of the printed material is not billed directly to the recipients.

(b) "Direct mail" includes tangible personal property supplied directly or indirectly by a purchaser to a seller of direct mail for inclusion in a package containing the printed material.

(c) "Direct mail" does not include multiple items of printed material delivered to a single address.

373 ~~[(33)]~~ (34) "Directory assistance" means an ancillary service of providing:

374 (a) address information; or

375 (b) telephone number information.

376 ~~[(34)]~~ (35) (a) "Disposable home medical equipment or supplies" means medical
377 equipment or supplies that:

378 (i) cannot withstand repeated use; and

379 (ii) are purchased by, for, or on behalf of a person other than:

380 (A) a health care facility as defined in Section 26-21-2;

381 (B) a health care provider as defined in Section 78B-3-403;

382 (C) an office of a health care provider described in Subsection ~~[(34)]~~ (35)(a)(ii)(B); or

383 (D) a person similar to a person described in Subsections ~~[(34)]~~ (35)(a)(ii)(A) through

384 (C).

385 (b) "Disposable home medical equipment or supplies" does not include:

386 (i) a drug;

387 (ii) durable medical equipment;

388 (iii) a hearing aid;

389 (iv) a hearing aid accessory;

390 (v) mobility enhancing equipment; or

391 (vi) tangible personal property used to correct impaired vision, including:

392 (A) eyeglasses; or

393 (B) contact lenses.

394 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
395 commission may by rule define what constitutes medical equipment or supplies.

396 ~~[(35)]~~ (36) (a) "Drug" means a compound, substance, or preparation, or a component of
397 a compound, substance, or preparation that is:

398 (i) recognized in:

399 (A) the official United States Pharmacopoeia;

400 (B) the official Homeopathic Pharmacopoeia of the United States;

401 (C) the official National Formulary; or

402 (D) a supplement to a publication listed in Subsections ~~[(35)]~~ (36)(a)(i)(A) through

403 (C);

- 404 (ii) intended for use in the:
- 405 (A) diagnosis of disease;
- 406 (B) cure of disease;
- 407 (C) mitigation of disease;
- 408 (D) treatment of disease; or
- 409 (E) prevention of disease; or
- 410 (iii) intended to affect:
- 411 (A) the structure of the body; or
- 412 (B) any function of the body.
- 413 (b) "Drug" does not include:
- 414 (i) food and food ingredients;
- 415 (ii) a dietary supplement;
- 416 (iii) an alcoholic beverage; or
- 417 (iv) a prosthetic device.
- 418 ~~[(36)]~~ (37) (a) Except as provided in Subsection ~~[(36)]~~ (37)(c), "durable medical
- 419 equipment" means equipment that:
- 420 (i) can withstand repeated use;
- 421 (ii) is primarily and customarily used to serve a medical purpose;
- 422 (iii) generally is not useful to a person in the absence of illness or injury; and
- 423 (iv) is not worn in or on the body.
- 424 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 425 equipment described in Subsection ~~[(36)]~~ (37)(a).
- 426 (c) Notwithstanding Subsection ~~[(36)]~~ (37)(a), "durable medical equipment" does not
- 427 include mobility enhancing equipment.
- 428 ~~[(37)]~~ (38) "Electronic" means:
- 429 (a) relating to technology; and
- 430 (b) having:
- 431 (i) electrical capabilities;
- 432 (ii) digital capabilities;
- 433 (iii) magnetic capabilities;
- 434 (iv) wireless capabilities;

- 435 (v) optical capabilities;
- 436 (vi) electromagnetic capabilities; or
- 437 (vii) capabilities similar to Subsections ~~[(37)]~~ (38)(b)(i) through (vi).
- 438 ~~[(38)]~~ (39) "Employee" is as defined in Section 59-10-401.
- 439 ~~[(39)]~~ (40) "Fixed guideway" means a public transit facility that uses and occupies:
- 440 (a) rail for the use of public transit; or
- 441 (b) a separate right-of-way for the use of public transit.
- 442 ~~[(40)]~~ (41) "Fixed wing turbine powered aircraft" means an aircraft that:
- 443 (a) is powered by turbine engines;
- 444 (b) operates on jet fuel; and
- 445 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 446 ~~[(41)]~~ (42) "Fixed wireless service" means a telecommunications service that provides
- 447 radio communication between fixed points.
- 448 ~~[(42)]~~ (43) (a) "Food and food ingredients" means substances:
- 449 (i) regardless of whether the substances are in:
- 450 (A) liquid form;
- 451 (B) concentrated form;
- 452 (C) solid form;
- 453 (D) frozen form;
- 454 (E) dried form; or
- 455 (F) dehydrated form; and
- 456 (ii) that are:
- 457 (A) sold for:
- 458 (I) ingestion by humans; or
- 459 (II) chewing by humans; and
- 460 (B) consumed for the substance's:
- 461 (I) taste; or
- 462 (II) nutritional value.
- 463 (b) "Food and food ingredients" includes an item described in Subsection ~~[(79)]~~
- 464 (81)(b)(iii).
- 465 (c) "Food and food ingredients" does not include:

466 (i) an alcoholic beverage;
467 (ii) tobacco; or
468 (iii) prepared food.

469 ~~[(43)]~~ (44) (a) "Fundraising sales" means sales:
470 (i) (A) made by a school; or
471 (B) made by a school student;
472 (ii) that are for the purpose of raising funds for the school to purchase equipment,
473 materials, or provide transportation; and
474 (iii) that are part of an officially sanctioned school activity.

475 (b) For purposes of Subsection ~~[(43)]~~ (44)(a)(iii), "officially sanctioned school activity"
476 means a school activity:
477 (i) that is conducted in accordance with a formal policy adopted by the school or school
478 district governing the authorization and supervision of fundraising activities;
479 (ii) that does not directly or indirectly compensate an individual teacher or other
480 educational personnel by direct payment, commissions, or payment in kind; and
481 (iii) the net or gross revenues from which are deposited in a dedicated account
482 controlled by the school or school district.

483 ~~[(44)]~~ (45) "Geothermal energy" means energy contained in heat that continuously
484 flows outward from the earth that is used as the sole source of energy to produce electricity.

485 ~~[(45)]~~ (46) "Governing board of the agreement" means the governing board of the
486 agreement that is:
487 (a) authorized to administer the agreement; and
488 (b) established in accordance with the agreement.

489 ~~[(46)]~~ (47) (a) For purposes of Subsection 59-12-104(41), "governmental entity"
490 means:
491 (i) the executive branch of the state, including all departments, institutions, boards,
492 divisions, bureaus, offices, commissions, and committees;
493 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
494 Office of the Court Administrator, and similar administrative units in the judicial branch;
495 (iii) the legislative branch of the state, including the House of Representatives, the
496 Senate, the Legislative Printing Office, the Office of Legislative Research and General

497 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
498 Analyst;

499 (iv) the National Guard;

500 (v) an independent entity as defined in Section 63E-1-102; or

501 (vi) a political subdivision as defined in Section 17B-1-102.

502 (b) "Governmental entity" does not include the state systems of public and higher
503 education, including:

504 (i) a college campus of the Utah College of Applied Technology;

505 (ii) a school;

506 (iii) the State Board of Education;

507 (iv) the State Board of Regents; or

508 (v) an institution of higher education.

509 ~~[(47)]~~ (48) "Hydroelectric energy" means water used as the sole source of energy to
510 produce electricity.

511 ~~[(48)]~~ (49) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil,
512 or other fuels:

513 (a) in mining or extraction of minerals;

514 (b) in agricultural operations to produce an agricultural product up to the time of
515 harvest or placing the agricultural product into a storage facility, including:

516 (i) commercial greenhouses;

517 (ii) irrigation pumps;

518 (iii) farm machinery;

519 (iv) implements of husbandry as defined in Subsection 41-1a-102(23) that are not
520 registered under Title 41, Chapter 1a, Part 2, Registration; and

521 (v) other farming activities;

522 (c) in manufacturing tangible personal property at an establishment described in SIC
523 Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal
524 Executive Office of the President, Office of Management and Budget;

525 (d) by a scrap recycler if:

526 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
527 one or more of the following items into prepared grades of processed materials for use in new

528 products:

529 (A) iron;

530 (B) steel;

531 (C) nonferrous metal;

532 (D) paper;

533 (E) glass;

534 (F) plastic;

535 (G) textile; or

536 (H) rubber; and

537 (ii) the new products under Subsection [~~(48)~~] (49)(d)(i) would otherwise be made with
538 nonrecycled materials; or

539 (e) in producing a form of energy or steam described in Subsection 54-2-1(2)(a) by a
540 cogeneration facility as defined in Section 54-2-1.

541 [~~(49)~~] (50) (a) Except as provided in Subsection [~~(49)~~] (50)(b), "installation charge"
542 means a charge for installing:

543 (i) tangible personal property; or

544 (ii) a product transferred electronically.

545 (b) "Installation charge" does not include a charge for:

546 (i) repairs or renovations of:

547 (A) tangible personal property; or

548 (B) a product transferred electronically; or

549 (ii) attaching tangible personal property or a product transferred electronically:

550 (A) to other tangible personal property; and

551 (B) as part of a manufacturing or fabrication process.

552 [~~(50)~~] (51) "Institution of higher education" means an institution of higher education
553 listed in Section 53B-2-101.

554 [~~(51)~~] (52) (a) "Lease" or "rental" means a transfer of possession or control of tangible
555 personal property or a product transferred electronically for:

556 (i) (A) a fixed term; or

557 (B) an indeterminate term; and

558 (ii) consideration.

(b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue Code.

(c) "Lease" or "rental" does not include:

(i) a transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

(ii) a transfer of possession or control of property under an agreement that requires the transfer of title:

(A) upon completion of required payments; and

(B) if the payment of an option price does not exceed the greater of:

(I) \$100; or

(II) 1% of the total required payments; or

(iii) providing tangible personal property along with an operator for a fixed period of time or an indeterminate period of time if the operator is necessary for equipment to perform as designed.

(d) For purposes of Subsection ~~[(51)]~~ (52)(c)(iii), an operator is necessary for equipment to perform as designed if the operator's duties exceed the:

(i) set-up of tangible personal property;

(ii) maintenance of tangible personal property; or

(iii) inspection of tangible personal property.

~~[(52)]~~ (53) "Load and leave" means delivery to a purchaser by use of a tangible storage media if the tangible storage media is not physically transferred to the purchaser.

~~[(53)]~~ (54) "Local taxing jurisdiction" means a:

(a) county that is authorized to impose an agreement sales and use tax;

(b) city that is authorized to impose an agreement sales and use tax; or

(c) town that is authorized to impose an agreement sales and use tax.

~~[(54)]~~ (55) "Manufactured home" is as defined in Section 15A-1-302.

~~[(55)]~~ (56) For purposes of Section 59-12-104, "manufacturing facility" means:

(a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard

590 Industrial Classification Manual of the federal Executive Office of the President, Office of
591 Management and Budget;

592 (b) a scrap recycler if:

593 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
594 one or more of the following items into prepared grades of processed materials for use in new
595 products:

596 (A) iron;

597 (B) steel;

598 (C) nonferrous metal;

599 (D) paper;

600 (E) glass;

601 (F) plastic;

602 (G) textile; or

603 (H) rubber; and

604 (ii) the new products under Subsection [~~(55)~~] (56)(b)(i) would otherwise be made with
605 nonrecycled materials; or

606 (c) a cogeneration facility as defined in Section 54-2-1.

607 [~~(56)~~] (57) "Member of the immediate family of the producer" means a person who is
608 related to a producer described in Subsection 59-12-104(20)(a) as a:

609 (a) child or stepchild, regardless of whether the child or stepchild is:

610 (i) an adopted child or adopted stepchild; or

611 (ii) a foster child or foster stepchild;

612 (b) grandchild or stepgrandchild;

613 (c) grandparent or stepgrandparent;

614 (d) nephew or stepnephew;

615 (e) niece or stepniece;

616 (f) parent or stepparent;

617 (g) sibling or stepsibling;

618 (h) spouse;

619 (i) person who is the spouse of a person described in Subsections [~~(56)~~] (57)(a) through
620 (g); or

(j) person similar to a person described in Subsections ~~[(56)]~~ (57)(a) through (i) as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

~~[(57)]~~ (58) "Mobile home" is as defined in Section 15A-1-302.

~~[(58)]~~ (59) "Mobile telecommunications service" is as defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

~~[(59)]~~ (60) (a) "Mobile wireless service" means a telecommunications service, regardless of the technology used, if:

(i) the origination point of the conveyance, routing, or transmission is not fixed;

(ii) the termination point of the conveyance, routing, or transmission is not fixed; or

(iii) the origination point described in Subsection ~~[(59)]~~ (60)(a)(i) and the termination point described in Subsection ~~[(59)]~~ (60)(a)(ii) are not fixed.

(b) "Mobile wireless service" includes a telecommunications service that is provided by a commercial mobile radio service provider.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define "commercial mobile radio service provider."

~~[(60)]~~ (61) (a) Except as provided in Subsection ~~[(60)]~~ (61)(c), "mobility enhancing equipment" means equipment that is:

(i) primarily and customarily used to provide or increase the ability to move from one place to another;

(ii) appropriate for use in a:

(A) home; or

(B) motor vehicle; and

(iii) not generally used by persons with normal mobility.

(b) "Mobility enhancing equipment" includes parts used in the repair or replacement of the equipment described in Subsection ~~[(60)]~~ (61)(a).

(c) Notwithstanding Subsection ~~[(60)]~~ (61)(a), "mobility enhancing equipment" does not include:

(i) a motor vehicle;

(ii) equipment on a motor vehicle if that equipment is normally provided by the motor vehicle manufacturer;

(iii) durable medical equipment; or

(iv) a prosthetic device.

~~[(61)]~~ (62) "Model 1 seller" means a seller registered under the agreement that has selected a certified service provider as the seller's agent to perform all of the seller's sales and use tax functions for agreement sales and use taxes other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases.

~~[(62)]~~ (63) "Model 2 seller" means a seller registered under the agreement that:

(a) except as provided in Subsection ~~[(62)]~~ (63)(b), has selected a certified automated system to perform the seller's sales tax functions for agreement sales and use taxes; and

(b) notwithstanding Subsection ~~[(62)]~~ (63)(a), retains responsibility for remitting all of the sales tax:

(i) collected by the seller; and

(ii) to the appropriate local taxing jurisdiction.

~~[(63)]~~ (64) (a) Subject to Subsection ~~[(63)]~~ (64)(b), "model 3 seller" means a seller registered under the agreement that has:

(i) sales in at least five states that are members of the agreement;

(ii) total annual sales revenues of at least \$500,000,000;

(iii) a proprietary system that calculates the amount of tax:

(A) for an agreement sales and use tax; and

(B) due to each local taxing jurisdiction; and

(iv) entered into a performance agreement with the governing board of the agreement.

(b) For purposes of Subsection ~~[(63)]~~ (64)(a), "model 3 seller" includes an affiliated group of sellers using the same proprietary system.

~~[(64)]~~ (65) "Model 4 seller" means a seller that is registered under the agreement and is not a model 1 seller, model 2 seller, or model 3 seller.

~~[(65)]~~ (66) "Modular home" means a modular unit as defined in Section 15A-1-302.

~~[(66)]~~ (67) "Motor vehicle" is as defined in Section 41-1a-102.

~~[(67)]~~ (68) "Oil shale" means a group of fine black to dark brown shales containing bituminous material that yields petroleum upon distillation.

(69) "Optional computer software maintenance contract" means a computer software maintenance contract that a customer is not obligated to purchase as a condition to the retail

683 sale of computer software.

684 ~~[(68)]~~ (70) (a) "Other fuels" means products that burn independently to produce heat or
685 energy.

686 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
687 personal property.

688 ~~[(69)]~~ (71) (a) "Paging service" means a telecommunications service that provides
689 transmission of a coded radio signal for the purpose of activating a specific pager.

690 (b) For purposes of Subsection ~~[(69)]~~ (71)(a), the transmission of a coded radio signal
691 includes a transmission by message or sound.

692 ~~[(70)]~~ (72) "Pawnbroker" is as defined in Section 13-32a-102.

693 ~~[(71)]~~ (73) "Pawn transaction" is as defined in Section 13-32a-102.

694 ~~[(72)]~~ (74) (a) "Permanently attached to real property" means that for tangible personal
695 property attached to real property:

696 (i) the attachment of the tangible personal property to the real property:

697 (A) is essential to the use of the tangible personal property; and

698 (B) suggests that the tangible personal property will remain attached to the real
699 property in the same place over the useful life of the tangible personal property; or

700 (ii) if the tangible personal property is detached from the real property, the detachment
701 would:

702 (A) cause substantial damage to the tangible personal property; or

703 (B) require substantial alteration or repair of the real property to which the tangible
704 personal property is attached.

705 (b) "Permanently attached to real property" includes:

706 (i) the attachment of an accessory to the tangible personal property if the accessory is:

707 (A) essential to the operation of the tangible personal property; and

708 (B) attached only to facilitate the operation of the tangible personal property;

709 (ii) a temporary detachment of tangible personal property from real property for a
710 repair or renovation if the repair or renovation is performed where the tangible personal
711 property and real property are located; or

712 (iii) property attached to oil, gas, or water pipelines, except for the property listed in
713 Subsection ~~[(72)]~~ (74)(c)(iii) or (iv).

714 (c) "Permanently attached to real property" does not include:
715 (i) the attachment of portable or movable tangible personal property to real property if
716 that portable or movable tangible personal property is attached to real property only for:
717 (A) convenience;
718 (B) stability; or
719 (C) for an obvious temporary purpose;
720 (ii) the detachment of tangible personal property from real property except for the
721 detachment described in Subsection [~~(72)~~] (74)(b)(ii);
722 (iii) an attachment of the following tangible personal property to real property if the
723 attachment to real property is only through a line that supplies water, electricity, gas,
724 telecommunications, cable, or supplies a similar item as determined by the commission by rule
725 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
726 (A) a computer;
727 (B) a telephone;
728 (C) a television; or
729 (D) tangible personal property similar to Subsections [~~(72)~~] (74)(c)(iii)(A) through (C)
730 as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
731 Administrative Rulemaking Act; or
732 (iv) an item listed in Subsection [~~(113)~~] (115)(c).
733 [~~(73)~~] (75) "Person" includes any individual, firm, partnership, joint venture,
734 association, corporation, estate, trust, business trust, receiver, syndicate, this state, any county,
735 city, municipality, district, or other local governmental entity of the state, or any group or
736 combination acting as a unit.
737 [~~(74)~~] (76) "Place of primary use":
738 (a) for telecommunications service other than mobile telecommunications service,
739 means the street address representative of where the customer's use of the telecommunications
740 service primarily occurs, which shall be:
741 (i) the residential street address of the customer; or
742 (ii) the primary business street address of the customer; or
743 (b) for mobile telecommunications service, is as defined in the Mobile
744 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

745 ~~[(75)]~~ (77) (a) "Postpaid calling service" means a telecommunications service a person
746 obtains by making a payment on a call-by-call basis:

747 (i) through the use of a:

748 (A) bank card;

749 (B) credit card;

750 (C) debit card; or

751 (D) travel card; or

752 (ii) by a charge made to a telephone number that is not associated with the origination
753 or termination of the telecommunications service.

754 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
755 service, that would be a prepaid wireless calling service if the service were exclusively a
756 telecommunications service.

757 ~~[(76)]~~ (78) "Postproduction" means an activity related to the finishing or duplication of
758 a medium described in Subsection 59-12-104(54)(a).

759 ~~[(77)]~~ (79) "Prepaid calling service" means a telecommunications service:

760 (a) that allows a purchaser access to telecommunications service that is exclusively
761 telecommunications service;

762 (b) that:

763 (i) is paid for in advance; and

764 (ii) enables the origination of a call using an:

765 (A) access number; or

766 (B) authorization code;

767 (c) that is dialed:

768 (i) manually; or

769 (ii) electronically; and

770 (d) sold in predetermined units or dollars that decline:

771 (i) by a known amount; and

772 (ii) with use.

773 ~~[(78)]~~ (80) "Prepaid wireless calling service" means a telecommunications service:

774 (a) that provides the right to utilize:

775 (i) mobile wireless service; and

- 776 (ii) other service that is not a telecommunications service, including:
777 (A) the download of a product transferred electronically;
778 (B) a content service; or
779 (C) an ancillary service;
780 (b) that:
781 (i) is paid for in advance; and
782 (ii) enables the origination of a call using an:
783 (A) access number; or
784 (B) authorization code;
785 (c) that is dialed:
786 (i) manually; or
787 (ii) electronically; and
788 (d) sold in predetermined units or dollars that decline:
789 (i) by a known amount; and
790 (ii) with use.
- 791 [~~(79)~~] (81) (a) "Prepared food" means:
792 (i) food:
793 (A) sold in a heated state; or
794 (B) heated by a seller;
795 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
796 item; or
797 (iii) except as provided in Subsection [~~(79)~~] (81)(c), food sold with an eating utensil
798 provided by the seller, including a:
799 (A) plate;
800 (B) knife;
801 (C) fork;
802 (D) spoon;
803 (E) glass;
804 (F) cup;
805 (G) napkin; or
806 (H) straw.

- 807 (b) "Prepared food" does not include:
- 808 (i) food that a seller only:
- 809 (A) cuts;
- 810 (B) repackages; or
- 811 (C) pasteurizes; or
- 812 (ii) (A) the following:
- 813 (I) raw egg;
- 814 (II) raw fish;
- 815 (III) raw meat;
- 816 (IV) raw poultry; or
- 817 (V) a food containing an item described in Subsections [~~(79)~~] (81)(b)(ii)(A)(I) through
- 818 (IV); and
- 819 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 820 Food and Drug Administration's Food Code that a consumer cook the items described in
- 821 Subsection [~~(79)~~] (81)(b)(ii)(A) to prevent food borne illness; or
- 822 (iii) the following if sold without eating utensils provided by the seller:
- 823 (A) food and food ingredients sold by a seller if the seller's proper primary
- 824 classification under the 2002 North American Industry Classification System of the federal
- 825 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 826 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 827 Manufacturing;
- 828 (B) food and food ingredients sold in an unheated state:
- 829 (I) by weight or volume; and
- 830 (II) as a single item; or
- 831 (C) a bakery item, including:
- 832 (I) a bagel;
- 833 (II) a bar;
- 834 (III) a biscuit;
- 835 (IV) bread;
- 836 (V) a bun;
- 837 (VI) a cake;

838 (VII) a cookie;

839 (VIII) a croissant;

840 (IX) a danish;

841 (X) a donut;

842 (XI) a muffin;

843 (XII) a pastry;

844 (XIII) a pie;

845 (XIV) a roll;

846 (XV) a tart;

847 (XVI) a torte; or

848 (XVII) a tortilla.

849 (c) Notwithstanding Subsection [~~(79)~~] (81)(a)(iii), an eating utensil provided by the
850 seller does not include the following used to transport the food:

851 (i) a container; or

852 (ii) packaging.

853 [~~(80)~~] (82) "Prescription" means an order, formula, or recipe that is issued:

854 (a) (i) orally;

855 (ii) in writing;

856 (iii) electronically; or

857 (iv) by any other manner of transmission; and

858 (b) by a licensed practitioner authorized by the laws of a state.

859 [~~(81)~~] (83) (a) Except as provided in Subsection [~~(81)~~] (83)(b)(ii) or (iii), "prewritten
860 computer software" means computer software that is not designed and developed:

861 (i) by the author or other creator of the computer software; and

862 (ii) to the specifications of a specific purchaser.

863 (b) "Prewritten computer software" includes:

864 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
865 software is not designed and developed:

866 (A) by the author or other creator of the computer software; and

867 (B) to the specifications of a specific purchaser;

868 (ii) notwithstanding Subsection [~~(81)~~] (83)(a), computer software designed and

developed by the author or other creator of the computer software to the specifications of a specific purchaser if the computer software is sold to a person other than the purchaser; or

(iii) notwithstanding Subsection ~~[(81)]~~ (83)(a) and except as provided in Subsection ~~[(81)]~~ (83)(c), prewritten computer software or a prewritten portion of prewritten computer software:

(A) that is modified or enhanced to any degree; and

(B) if the modification or enhancement described in Subsection ~~[(81)]~~ (83)(b)(iii)(A) is designed and developed to the specifications of a specific purchaser.

(c) Notwithstanding Subsection ~~[(81)]~~ (83)(b)(iii), "prewritten computer software" does not include a modification or enhancement described in Subsection ~~[(81)]~~ (83)(b)(iii) if the charges for the modification or enhancement are:

(i) reasonable; and

(ii) separately stated on the invoice or other statement of price provided to the purchaser.

~~[(82)]~~ (84) (a) "Private communication service" means a telecommunications service:

(i) that entitles a customer to exclusive or priority use of one or more communications channels between or among termination points; and

(ii) regardless of the manner in which the one or more communications channels are connected.

(b) "Private communications service" includes the following provided in connection with the use of one or more communications channels:

(i) an extension line;

(ii) a station;

(iii) switching capacity; or

(iv) another associated service that is provided in connection with the use of one or more communications channels as defined in Section 59-12-215.

~~[(83)]~~ (85) (a) Except as provided in Subsection ~~[(83)]~~ (85)(b), "product transferred electronically" means a product transferred electronically that would be subject to a tax under this chapter if that product was transferred in a manner other than electronically.

(b) "Product transferred electronically" does not include:

(i) an ancillary service;

- (ii) computer software; or
- (iii) a telecommunications service.

~~[(84)]~~ (86) (a) "Prosthetic device" means a device that is worn on or in the body to:

- (i) artificially replace a missing portion of the body;
- (ii) prevent or correct a physical deformity or physical malfunction; or
- (iii) support a weak or deformed portion of the body.

(b) "Prosthetic device" includes:

- (i) parts used in the repairs or renovation of a prosthetic device;
- (ii) replacement parts for a prosthetic device;
- (iii) a dental prosthesis; or
- (iv) a hearing aid.

(c) "Prosthetic device" does not include:

- (i) corrective eyeglasses; or
- (ii) contact lenses.

~~[(85)]~~ (87) (a) "Protective equipment" means an item:

- (i) for human wear; and
- (ii) that is:
 - (A) designed as protection:
 - (I) to the wearer against injury or disease; or
 - (II) against damage or injury of other persons or property; and
 - (B) not suitable for general use.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules:

- (i) listing the items that constitute "protective equipment"; and
- (ii) that are consistent with the list of items that constitute "protective equipment" under the agreement.

~~[(86)]~~ (88) (a) For purposes of Subsection 59-12-104(41), "publication" means any written or printed matter, other than a photocopy:

- (i) regardless of:
 - (A) characteristics;
 - (B) copyright;

931 (C) form;
932 (D) format;
933 (E) method of reproduction; or
934 (F) source; and
935 (ii) made available in printed or electronic format.

936 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
937 commission may by rule define the term "photocopy."

938 ~~[(87)]~~ (89) (a) "Purchase price" and "sales price" mean the total amount of
939 consideration:

940 (i) valued in money; and
941 (ii) for which tangible personal property, a product transferred electronically, or
942 services are:

943 (A) sold;
944 (B) leased; or
945 (C) rented.

946 (b) "Purchase price" and "sales price" include:

947 (i) the seller's cost of the tangible personal property, a product transferred
948 electronically, or services sold;

949 (ii) expenses of the seller, including:

950 (A) the cost of materials used;
951 (B) a labor cost;
952 (C) a service cost;
953 (D) interest;
954 (E) a loss;
955 (F) the cost of transportation to the seller; or
956 (G) a tax imposed on the seller;

957 (iii) a charge by the seller for any service necessary to complete the sale; or
958 (iv) consideration a seller receives from a person other than the purchaser if:

959 (A) (I) the seller actually receives consideration from a person other than the purchaser;
960 and
961 (II) the consideration described in Subsection ~~[(87)]~~ (89)(b)(iv)(A)(I) is directly related

962 to a price reduction or discount on the sale;

963 (B) the seller has an obligation to pass the price reduction or discount through to the
964 purchaser;

965 (C) the amount of the consideration attributable to the sale is fixed and determinable by
966 the seller at the time of the sale to the purchaser; and

967 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the
968 seller to claim a price reduction or discount; and

969 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,
970 coupon, or other documentation with the understanding that the person other than the seller
971 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;

972 (II) the purchaser identifies that purchaser to the seller as a member of a group or
973 organization allowed a price reduction or discount, except that a preferred customer card that is
974 available to any patron of a seller does not constitute membership in a group or organization
975 allowed a price reduction or discount; or

976 (III) the price reduction or discount is identified as a third party price reduction or
977 discount on the:

978 (Aa) invoice the purchaser receives; or

979 (Bb) certificate, coupon, or other documentation the purchaser presents.

980 (c) "Purchase price" and "sales price" do not include:

981 (i) a discount:

982 (A) in a form including:

983 (I) cash;

984 (II) term; or

985 (III) coupon;

986 (B) that is allowed by a seller;

987 (C) taken by a purchaser on a sale; and

988 (D) that is not reimbursed by a third party; or

989 (ii) the following if separately stated on an invoice, bill of sale, or similar document
990 provided to the purchaser:

991 (A) the following from credit extended on the sale of tangible personal property or
992 services:

- 993 (I) a carrying charge;
994 (II) a financing charge; or
995 (III) an interest charge;
996 (B) a delivery charge;
997 (C) an installation charge;
998 (D) a manufacturer rebate on a motor vehicle; or
999 (E) a tax or fee legally imposed directly on the consumer.
- 1000 ~~[(88)]~~ (90) "Purchaser" means a person to whom:
1001 (a) a sale of tangible personal property is made;
1002 (b) a product is transferred electronically; or
1003 (c) a service is furnished.
- 1004 ~~[(89)]~~ (91) "Regularly rented" means:
1005 (a) rented to a guest for value three or more times during a calendar year; or
1006 (b) advertised or held out to the public as a place that is regularly rented to guests for
1007 value.
- 1008 ~~[(90)]~~ (92) "Renewable energy" means:
1009 (a) biomass energy;
1010 (b) hydroelectric energy;
1011 (c) geothermal energy;
1012 (d) solar energy; or
1013 (e) wind energy.
- 1014 ~~[(91)]~~ (93) (a) "Renewable energy production facility" means a facility that:
1015 (i) uses renewable energy to produce electricity; and
1016 (ii) has a production capacity of 20 kilowatts or greater.
1017 (b) A facility is a renewable energy production facility regardless of whether the
1018 facility is:
1019 (i) connected to an electric grid; or
1020 (ii) located on the premises of an electricity consumer.
- 1021 ~~[(92)]~~ (94) "Rental" is as defined in Subsection ~~[(51)]~~ (52).
- 1022 ~~[(93)]~~ (95) (a) Except as provided in Subsection ~~[(93)]~~ (95)(b), "repairs or renovations
1023 of tangible personal property" means:

1024 (i) a repair or renovation of tangible personal property that is not permanently attached
1025 to real property; or

1026 (ii) attaching tangible personal property or a product transferred electronically to other
1027 tangible personal property or detaching tangible personal property or a product transferred
1028 electronically from other tangible personal property if:

1029 (A) the other tangible personal property to which the tangible personal property or
1030 product transferred electronically is attached or from which the tangible personal property or
1031 product transferred electronically is detached is not permanently attached to real property; and

1032 (B) the attachment of tangible personal property or a product transferred electronically
1033 to other tangible personal property or detachment of tangible personal property or a product
1034 transferred electronically from other tangible personal property is made in conjunction with a
1035 repair or replacement of tangible personal property or a product transferred electronically.

1036 (b) "Repairs or renovations of tangible personal property" does not include:

1037 (i) attaching prewritten computer software to other tangible personal property if the
1038 other tangible personal property to which the prewritten computer software is attached is not
1039 permanently attached to real property~~[-]; or~~

1040 (ii) detaching prewritten computer software from other tangible personal property if the
1041 other tangible personal property from which the prewritten computer software is detached is
1042 not permanently attached to real property.

1043 ~~[(94)]~~ (96) "Research and development" means the process of inquiry or
1044 experimentation aimed at the discovery of facts, devices, technologies, or applications and the
1045 process of preparing those devices, technologies, or applications for marketing.

1046 ~~[(95)]~~ (97) (a) "Residential telecommunications services" means a telecommunications
1047 service or an ancillary service that is provided to an individual for personal use:

1048 (i) at a residential address; or

1049 (ii) at an institution, including a nursing home or a school, if the telecommunications
1050 service or ancillary service is provided to and paid for by the individual residing at the
1051 institution rather than the institution.

1052 (b) For purposes of Subsection ~~[(95)]~~ (97)(a)(i), a residential address includes an:

1053 (i) apartment; or

1054 (ii) other individual dwelling unit.

1055 ~~[(96)]~~ (98) "Residential use" means the use in or around a home, apartment building,
1056 sleeping quarters, and similar facilities or accommodations.

1057 ~~[(97)]~~ (99) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose
1058 other than:

1059 (a) resale;

1060 (b) sublease; or

1061 (c) subrent.

1062 ~~[(98)]~~ (100) (a) "Retailer" means any person engaged in a regularly organized business
1063 in tangible personal property or any other taxable transaction under Subsection 59-12-103(1),
1064 and who is selling to the user or consumer and not for resale.

1065 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
1066 engaged in the business of selling to users or consumers within the state.

1067 ~~[(99)]~~ (101) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
1068 otherwise, in any manner, of tangible personal property or any other taxable transaction under
1069 Subsection 59-12-103(1), for consideration.

1070 (b) "Sale" includes:

1071 (i) installment and credit sales;

1072 (ii) any closed transaction constituting a sale;

1073 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
1074 chapter;

1075 (iv) any transaction if the possession of property is transferred but the seller retains the
1076 title as security for the payment of the price; and

1077 (v) any transaction under which right to possession, operation, or use of any article of
1078 tangible personal property is granted under a lease or contract and the transfer of possession
1079 would be taxable if an outright sale were made.

1080 ~~[(100)]~~ (102) "Sale at retail" is as defined in Subsection ~~[(97)]~~ (99).

1081 ~~[(101)]~~ (103) "Sale-leaseback transaction" means a transaction by which title to
1082 tangible personal property or a product transferred electronically that is subject to a tax under
1083 this chapter is transferred:

1084 (a) by a purchaser-lessee;

1085 (b) to a lessor;

1086 (c) for consideration; and
1087 (d) if:
1088 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
1089 of the tangible personal property or product transferred electronically;
1090 (ii) the sale of the tangible personal property or product transferred electronically to the
1091 lessor is intended as a form of financing:
1092 (A) for the tangible personal property or product transferred electronically; and
1093 (B) to the purchaser-lessee; and
1094 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
1095 is required to:
1096 (A) capitalize the tangible personal property or product transferred electronically for
1097 financial reporting purposes; and
1098 (B) account for the lease payments as payments made under a financing arrangement.
1099 [~~(102)~~] (104) "Sales price" is as defined in Subsection [~~(87)~~] (89).
1100 [~~(103)~~] (105) (a) "Sales relating to schools" means the following sales by, amounts
1101 paid to, or amounts charged by a school:
1102 (i) sales that are directly related to the school's educational functions or activities
1103 including:
1104 (A) the sale of:
1105 (I) textbooks;
1106 (II) textbook fees;
1107 (III) laboratory fees;
1108 (IV) laboratory supplies; or
1109 (V) safety equipment;
1110 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
1111 that:
1112 (I) a student is specifically required to wear as a condition of participation in a
1113 school-related event or school-related activity; and
1114 (II) is not readily adaptable to general or continued usage to the extent that it takes the
1115 place of ordinary clothing;
1116 (C) sales of the following if the net or gross revenues generated by the sales are

1117 deposited into a school district fund or school fund dedicated to school meals:
1118 (I) food and food ingredients; or
1119 (II) prepared food; or
1120 (D) transportation charges for official school activities; or
1121 (ii) amounts paid to or amounts charged by a school for admission to a school-related
1122 event or school-related activity.
1123 (b) "Sales relating to schools" does not include:
1124 (i) bookstore sales of items that are not educational materials or supplies;
1125 (ii) except as provided in Subsection ~~[(103)]~~ (105)(a)(i)(B):
1126 (A) clothing;
1127 (B) clothing accessories or equipment;
1128 (C) protective equipment; or
1129 (D) sports or recreational equipment; or
1130 (iii) amounts paid to or amounts charged by a school for admission to a school-related
1131 event or school-related activity if the amounts paid or charged are passed through to a person:
1132 (A) other than a:
1133 (I) school;
1134 (II) nonprofit organization authorized by a school board or a governing body of a
1135 private school to organize and direct a competitive secondary school activity; or
1136 (III) nonprofit association authorized by a school board or a governing body of a
1137 private school to organize and direct a competitive secondary school activity; and
1138 (B) that is required to collect sales and use taxes under this chapter.
1139 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1140 commission may make rules defining the term "passed through."
1141 ~~[(104)]~~ (106) For purposes of this section and Section 59-12-104, "school":
1142 (a) means:
1143 (i) an elementary school or a secondary school that:
1144 (A) is a:
1145 (I) public school; or
1146 (II) private school; and
1147 (B) provides instruction for one or more grades kindergarten through 12; or

- 1148 (ii) a public school district; and
- 1149 (b) includes the Electronic High School as defined in Section 53A-15-1002.
- 1150 [~~(105)~~] (107) "Seller" means a person that makes a sale, lease, or rental of:
- 1151 (a) tangible personal property;
- 1152 (b) a product transferred electronically; or
- 1153 (c) a service.
- 1154 [~~(106)~~] (108) (a) "Semiconductor fabricating, processing, research, or development
- 1155 materials" means tangible personal property or a product transferred electronically if the
- 1156 tangible personal property or product transferred electronically is:
- 1157 (i) used primarily in the process of:
- 1158 (A) (I) manufacturing a semiconductor;
- 1159 (II) fabricating a semiconductor; or
- 1160 (III) research or development of a:
- 1161 (Aa) semiconductor; or
- 1162 (Bb) semiconductor manufacturing process; or
- 1163 (B) maintaining an environment suitable for a semiconductor; or
- 1164 (ii) consumed primarily in the process of:
- 1165 (A) (I) manufacturing a semiconductor;
- 1166 (II) fabricating a semiconductor; or
- 1167 (III) research or development of a:
- 1168 (Aa) semiconductor; or
- 1169 (Bb) semiconductor manufacturing process; or
- 1170 (B) maintaining an environment suitable for a semiconductor.
- 1171 (b) "Semiconductor fabricating, processing, research, or development materials"
- 1172 includes:
- 1173 (i) parts used in the repairs or renovations of tangible personal property or a product
- 1174 transferred electronically described in Subsection [~~(106)~~] (108)(a); or
- 1175 (ii) a chemical, catalyst, or other material used to:
- 1176 (A) produce or induce in a semiconductor a:
- 1177 (I) chemical change; or
- 1178 (II) physical change;

1179 (B) remove impurities from a semiconductor; or
1180 (C) improve the marketable condition of a semiconductor.

1181 ~~[(107)]~~ (109) "Senior citizen center" means a facility having the primary purpose of
1182 providing services to the aged as defined in Section 62A-3-101.

1183 ~~[(108)]~~ (110) "Simplified electronic return" means the electronic return:
1184 (a) described in Section 318(C) of the agreement; and
1185 (b) approved by the governing board of the agreement.

1186 ~~[(109)]~~ (111) "Solar energy" means the sun used as the sole source of energy for
1187 producing electricity.

1188 ~~[(110)]~~ (112) (a) "Sports or recreational equipment" means an item:
1189 (i) designed for human use; and
1190 (ii) that is:
1191 (A) worn in conjunction with:
1192 (I) an athletic activity; or
1193 (II) a recreational activity; and
1194 (B) not suitable for general use.

1195 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1196 commission shall make rules:
1197 (i) listing the items that constitute "sports or recreational equipment"; and
1198 (ii) that are consistent with the list of items that constitute "sports or recreational
1199 equipment" under the agreement.

1200 ~~[(111)]~~ (113) "State" means the state of Utah, its departments, and agencies.

1201 ~~[(112)]~~ (114) "Storage" means any keeping or retention of tangible personal property or
1202 any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
1203 except sale in the regular course of business.

1204 ~~[(113)]~~ (115) (a) Except as provided in Subsection ~~[(113)]~~ (115)(d) or (e), "tangible
1205 personal property" means personal property that:
1206 (i) may be:
1207 (A) seen;
1208 (B) weighed;
1209 (C) measured;

- 1210 (D) felt; or
1211 (E) touched; or
1212 (ii) is in any manner perceptible to the senses.
1213 (b) "Tangible personal property" includes:
1214 (i) electricity;
1215 (ii) water;
1216 (iii) gas;
1217 (iv) steam; or
1218 (v) prewritten computer software, regardless of the manner in which the prewritten
1219 computer software is transferred.
1220 (c) "Tangible personal property" includes the following regardless of whether the item
1221 is attached to real property:
1222 (i) a dishwasher;
1223 (ii) a dryer;
1224 (iii) a freezer;
1225 (iv) a microwave;
1226 (v) a refrigerator;
1227 (vi) a stove;
1228 (vii) a washer; or
1229 (viii) an item similar to Subsections ~~[(113)]~~ (115)(c)(i) through (vii) as determined by
1230 the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
1231 Rulemaking Act.
1232 (d) "Tangible personal property" does not include a product that is transferred
1233 electronically.
1234 (e) "Tangible personal property" does not include the following if attached to real
1235 property, regardless of whether the attachment to real property is only through a line that
1236 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
1237 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
1238 Rulemaking Act:
1239 (i) a hot water heater;
1240 (ii) a water filtration system; or

1241 (iii) a water softener system.

1242 [~~(114)~~] (116) "Tar sands" means impregnated sands that yield mixtures of liquid
1243 hydrocarbon and require further processing other than mechanical blending before becoming
1244 finished petroleum products.

1245 [~~(115)~~] (117) (a) "Telecommunications enabling or facilitating equipment, machinery,
1246 or software" means an item listed in Subsection [~~(115)~~] (117)(b) if that item is purchased or
1247 leased primarily to enable or facilitate one or more of the following to function:

1248 (i) telecommunications switching or routing equipment, machinery, or software; or

1249 (ii) telecommunications transmission equipment, machinery, or software.

1250 (b) The following apply to Subsection [~~(115)~~] (117)(a):

1251 (i) a pole;

1252 (ii) software;

1253 (iii) a supplementary power supply;

1254 (iv) temperature or environmental equipment or machinery;

1255 (v) test equipment;

1256 (vi) a tower; or

1257 (vii) equipment, machinery, or software that functions similarly to an item listed in
1258 Subsections [~~(115)~~] (117)(b)(i) through (vi) as determined by the commission by rule made in
1259 accordance with Subsection [~~(115)~~] (117)(c).

1260 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1261 commission may by rule define what constitutes equipment, machinery, or software that
1262 functions similarly to an item listed in Subsections [~~(115)~~] (117)(b)(i) through (vi).

1263 [~~(116)~~] (118) "Telecommunications equipment, machinery, or software required for
1264 911 service" means equipment, machinery, or software that is required to comply with 47
1265 C.F.R. Sec. 20.18.

1266 [~~(117)~~] (119) "Telecommunications maintenance or repair equipment, machinery, or
1267 software" means equipment, machinery, or software purchased or leased primarily to maintain
1268 or repair one or more of the following, regardless of whether the equipment, machinery, or
1269 software is purchased or leased as a spare part or as an upgrade or modification to one or more
1270 of the following:

1271 (a) telecommunications enabling or facilitating equipment, machinery, or software;

1272 (b) telecommunications switching or routing equipment, machinery, or software; or
1273 (c) telecommunications transmission equipment, machinery, or software.

1274 [~~(118)~~] (120) (a) "Telecommunications service" means the electronic conveyance,
1275 routing, or transmission of audio, data, video, voice, or any other information or signal to a
1276 point, or among or between points.

1277 (b) "Telecommunications service" includes:

1278 (i) an electronic conveyance, routing, or transmission with respect to which a computer
1279 processing application is used to act:

1280 (A) on the code, form, or protocol of the content;

1281 (B) for the purpose of electronic conveyance, routing, or transmission; and

1282 (C) regardless of whether the service:

1283 (I) is referred to as voice over Internet protocol service; or

1284 (II) is classified by the Federal Communications Commission as enhanced or value
1285 added;

1286 (ii) an 800 service;

1287 (iii) a 900 service;

1288 (iv) a fixed wireless service;

1289 (v) a mobile wireless service;

1290 (vi) a postpaid calling service;

1291 (vii) a prepaid calling service;

1292 (viii) a prepaid wireless calling service; or

1293 (ix) a private communications service.

1294 (c) "Telecommunications service" does not include:

1295 (i) advertising, including directory advertising;

1296 (ii) an ancillary service;

1297 (iii) a billing and collection service provided to a third party;

1298 (iv) a data processing and information service if:

1299 (A) the data processing and information service allows data to be:

1300 (I) (Aa) acquired;

1301 (Bb) generated;

1302 (Cc) processed;

1303 (Dd) retrieved; or
1304 (Ee) stored; and
1305 (II) delivered by an electronic transmission to a purchaser; and
1306 (B) the purchaser's primary purpose for the underlying transaction is the processed data
1307 or information;
1308 (v) installation or maintenance of the following on a customer's premises:
1309 (A) equipment; or
1310 (B) wiring;
1311 (vi) Internet access service;
1312 (vii) a paging service;
1313 (viii) a product transferred electronically, including:
1314 (A) music;
1315 (B) reading material;
1316 (C) a ring tone;
1317 (D) software; or
1318 (E) video;
1319 (ix) a radio and television audio and video programming service:
1320 (A) regardless of the medium; and
1321 (B) including:
1322 (I) furnishing conveyance, routing, or transmission of a television audio and video
1323 programming service by a programming service provider;
1324 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
1325 (III) audio and video programming services delivered by a commercial mobile radio
1326 service provider as defined in 47 C.F.R. Sec. 20.3;
1327 (x) a value-added nonvoice data service; or
1328 (xi) tangible personal property.
1329 ~~[(119)]~~ (121) (a) "Telecommunications service provider" means a person that:
1330 (i) owns, controls, operates, or manages a telecommunications service; and
1331 (ii) engages in an activity described in Subsection ~~[(119)]~~ (121)(a)(i) for the shared use
1332 with or resale to any person of the telecommunications service.
1333 (b) A person described in Subsection ~~[(119)]~~ (121)(a) is a telecommunications service

1334 provider whether or not the Public Service Commission of Utah regulates:

1335 (i) that person; or

1336 (ii) the telecommunications service that the person owns, controls, operates, or
1337 manages.

1338 [~~(120)~~] (122) (a) "Telecommunications switching or routing equipment, machinery, or
1339 software" means an item listed in Subsection [~~(120)~~] (122)(b) if that item is purchased or
1340 leased primarily for switching or routing:

1341 (i) an ancillary service;

1342 (ii) data communications;

1343 (iii) voice communications; or

1344 (iv) telecommunications service.

1345 (b) The following apply to Subsection [~~(120)~~] (122)(a):

1346 (i) a bridge;

1347 (ii) a computer;

1348 (iii) a cross connect;

1349 (iv) a modem;

1350 (v) a multiplexer;

1351 (vi) plug in circuitry;

1352 (vii) a router;

1353 (viii) software;

1354 (ix) a switch; or

1355 (x) equipment, machinery, or software that functions similarly to an item listed in
1356 Subsections [~~(120)~~] (122)(b)(i) through (ix) as determined by the commission by rule made in
1357 accordance with Subsection [~~(120)~~] (122)(c).

1358 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1359 commission may by rule define what constitutes equipment, machinery, or software that
1360 functions similarly to an item listed in Subsections [~~(120)~~] (122)(b)(i) through (ix).

1361 [~~(121)~~] (123) (a) "Telecommunications transmission equipment, machinery, or
1362 software" means an item listed in Subsection [~~(121)~~] (123)(b) if that item is purchased or
1363 leased primarily for sending, receiving, or transporting:

1364 (i) an ancillary service;

- 1365 (ii) data communications;
1366 (iii) voice communications; or
1367 (iv) telecommunications service.
- 1368 (b) The following apply to Subsection [~~(121)~~] (123)(a):
- 1369 (i) an amplifier;
1370 (ii) a cable;
1371 (iii) a closure;
1372 (iv) a conduit;
1373 (v) a controller;
1374 (vi) a duplexer;
1375 (vii) a filter;
1376 (viii) an input device;
1377 (ix) an input/output device;
1378 (x) an insulator;
1379 (xi) microwave machinery or equipment;
1380 (xii) an oscillator;
1381 (xiii) an output device;
1382 (xiv) a pedestal;
1383 (xv) a power converter;
1384 (xvi) a power supply;
1385 (xvii) a radio channel;
1386 (xviii) a radio receiver;
1387 (xix) a radio transmitter;
1388 (xx) a repeater;
1389 (xxi) software;
1390 (xxii) a terminal;
1391 (xxiii) a timing unit;
1392 (xxiv) a transformer;
1393 (xxv) a wire; or
1394 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
1395 Subsections [~~(121)~~] (123)(b)(i) through (xxv) as determined by the commission by rule made in

1396 accordance with Subsection [~~(121)~~] (123)(c).

1397 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1398 commission may by rule define what constitutes equipment, machinery, or software that
1399 functions similarly to an item listed in Subsections [~~(121)~~] (123)(b)(i) through (xxv).

1400 [~~(122)~~] (124) (a) "Textbook for a higher education course" means a textbook or other
1401 printed material that is required for a course:

1402 (i) offered by an institution of higher education; and

1403 (ii) that the purchaser of the textbook or other printed material attends or will attend.

1404 (b) "Textbook for a higher education course" includes a textbook in electronic format.

1405 [~~(123)~~] (125) "Tobacco" means:

1406 (a) a cigarette;

1407 (b) a cigar;

1408 (c) chewing tobacco;

1409 (d) pipe tobacco; or

1410 (e) any other item that contains tobacco.

1411 [~~(124)~~] (126) "Unassisted amusement device" means an amusement device, skill
1412 device, or ride device that is started and stopped by the purchaser or renter of the right to use or
1413 operate the amusement device, skill device, or ride device.

1414 [~~(125)~~] (127) (a) "Use" means the exercise of any right or power over tangible personal
1415 property, a product transferred electronically, or a service under Subsection 59-12-103(1),
1416 incident to the ownership or the leasing of that tangible personal property, product transferred
1417 electronically, or service.

1418 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
1419 property, a product transferred electronically, or a service in the regular course of business and
1420 held for resale.

1421 [~~(126)~~] (128) "Value-added nonvoice data service" means a service:

1422 (a) that otherwise meets the definition of a telecommunications service except that a
1423 computer processing application is used to act primarily for a purpose other than conveyance,
1424 routing, or transmission; and

1425 (b) with respect to which a computer processing application is used to act on data or
1426 information:

1427 (i) code;
1428 (ii) content;
1429 (iii) form; or
1430 (iv) protocol.

1431 ~~[(127)]~~ (129) (a) Subject to Subsection ~~[(127)]~~ (129)(b), "vehicle" means the following
1432 that are required to be titled, registered, or titled and registered:

1433 (i) an aircraft as defined in Section 72-10-102;
1434 (ii) a vehicle as defined in Section 41-1a-102;
1435 (iii) an off-highway vehicle as defined in Section 41-22-2; or
1436 (iv) a vessel as defined in Section 41-1a-102.

1437 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:

1438 (i) a vehicle described in Subsection ~~[(127)]~~ (129)(a); or
1439 (ii) (A) a locomotive;
1440 (B) a freight car;
1441 (C) railroad work equipment; or
1442 (D) other railroad rolling stock.

1443 ~~[(128)]~~ (130) "Vehicle dealer" means a person engaged in the business of buying,
1444 selling, or exchanging a vehicle as defined in Subsection ~~[(127)]~~ (129).

1445 ~~[(129)]~~ (131) (a) "Vertical service" means an ancillary service that:
1446 (i) is offered in connection with one or more telecommunications services; and
1447 (ii) offers an advanced calling feature that allows a customer to:
1448 (A) identify a caller; and
1449 (B) manage multiple calls and call connections.

1450 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
1451 conference bridging service.

1452 ~~[(130)]~~ (132) (a) "Voice mail service" means an ancillary service that enables a
1453 customer to receive, send, or store a recorded message.

1454 (b) "Voice mail service" does not include a vertical service that a customer is required
1455 to have in order to utilize a voice mail service.

1456 ~~[(131)]~~ (133) (a) Except as provided in Subsection ~~[(131)]~~ (133)(b), "waste energy
1457 facility" means a facility that generates electricity:

1458 (i) using as the primary source of energy waste materials that would be placed in a
1459 landfill or refuse pit if it were not used to generate electricity, including:

1460 (A) tires;

1461 (B) waste coal; or

1462 (C) oil shale; and

1463 (ii) in amounts greater than actually required for the operation of the facility.

1464 (b) "Waste energy facility" does not include a facility that incinerates:

1465 (i) municipal solid waste;

1466 (ii) hospital waste as defined in 40 C.F.R. 60.51c; or

1467 (iii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1468 [~~(132)~~] (134) "Watercraft" means a vessel as defined in Section 73-18-2.

1469 [~~(133)~~] (135) "Wind energy" means wind used as the sole source of energy to produce
1470 electricity.

1471 [~~(134)~~] (136) "ZIP Code" means a Zoning Improvement Plan Code assigned to a
1472 geographic location by the United States Postal Service.

1473 Section 2. Section **59-12-103** is amended to read:

1474 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
1475 **tax revenues.**

1476 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
1477 charged for the following transactions:

1478 (a) retail sales of tangible personal property made within the state;

1479 (b) amounts paid for:

1480 (i) telecommunications service, other than mobile telecommunications service, that
1481 originates and terminates within the boundaries of this state;

1482 (ii) mobile telecommunications service that originates and terminates within the
1483 boundaries of one state only to the extent permitted by the Mobile Telecommunications
1484 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1485 (iii) an ancillary service associated with a:

1486 (A) telecommunications service described in Subsection (1)(b)(i); or

1487 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

1488 (c) sales of the following for commercial use:

- 1489 (i) gas;
1490 (ii) electricity;
1491 (iii) heat;
1492 (iv) coal;
1493 (v) fuel oil; or
1494 (vi) other fuels;
1495 (d) sales of the following for residential use:
1496 (i) gas;
1497 (ii) electricity;
1498 (iii) heat;
1499 (iv) coal;
1500 (v) fuel oil; or
1501 (vi) other fuels;
1502 (e) sales of prepared food;
1503 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1504 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
1505 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
1506 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
1507 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
1508 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
1509 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
1510 horseback rides, sports activities, or any other amusement, entertainment, recreation,
1511 exhibition, cultural, or athletic activity;
1512 (g) amounts paid or charged for services for repairs or renovations of tangible personal
1513 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
1514 (i) the tangible personal property; and
1515 (ii) parts used in the repairs or renovations of the tangible personal property described
1516 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
1517 of that tangible personal property;
1518 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
1519 assisted cleaning or washing of tangible personal property;

1520 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
1521 accommodations and services that are regularly rented for less than 30 consecutive days;
1522 (j) amounts paid or charged for laundry or dry cleaning services;
1523 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1524 this state the tangible personal property is:
1525 (i) stored;
1526 (ii) used; or
1527 (iii) otherwise consumed;
1528 (l) amounts paid or charged for tangible personal property if within this state the
1529 tangible personal property is:
1530 (i) stored;
1531 (ii) used; or
1532 (iii) consumed; and
1533 (m) amounts paid or charged for a sale:
1534 (i) (A) of a product transferred electronically; or
1535 (B) of a repair or renovation of a product transferred electronically; and
1536 (ii) regardless of whether the sale provides:
1537 (A) a right of permanent use of the product; or
1538 (B) a right to use the product that is less than a permanent use, including a right:
1539 (I) for a definite or specified length of time; and
1540 (II) that terminates upon the occurrence of a condition.
1541 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
1542 is imposed on a transaction described in Subsection (1) equal to the sum of:
1543 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
1544 (A) 4.70%; and
1545 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
1546 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
1547 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
1548 State Sales and Use Tax Act; and
1549 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
1550 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of 2%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

(d) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction equal to the sum of:

(I) the tax rate described in Subsection (2)(a)(i)(A); and

(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(ii) If an optional computer software maintenance contract is a bundled transaction that

1582 consists of taxable and nontaxable products that are not separately itemized on an invoice or
1583 similar billing document, the purchase of the optional computer software maintenance contract
1584 is 40% taxable under this chapter and 60% nontaxable under this chapter.

1585 ~~[(iii)]~~ (iii) Subject to Subsection (2)(d)~~[(iii)]~~(iv), for a bundled transaction other than a
1586 bundled transaction described in Subsection (2)(d)(i) or (ii):

1587 (A) if the sales price of the bundled transaction is attributable to tangible personal
1588 property, a product, or a service that is subject to taxation under this chapter and tangible
1589 personal property, a product, or service that is not subject to taxation under this chapter, the
1590 entire bundled transaction is subject to taxation under this chapter unless:

1591 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1592 personal property, product, or service that is not subject to taxation under this chapter from the
1593 books and records the seller keeps in the seller's regular course of business; or

1594 (II) state or federal law provides otherwise; or

1595 (B) if the sales price of a bundled transaction is attributable to two or more items of
1596 tangible personal property, products, or services that are subject to taxation under this chapter
1597 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
1598 higher tax rate unless:

1599 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1600 personal property, product, or service that is subject to taxation under this chapter at the lower
1601 tax rate from the books and records the seller keeps in the seller's regular course of business; or

1602 (II) state or federal law provides otherwise.

1603 ~~[(iii)]~~ (iv) For purposes of Subsection (2)(d)~~[(iii)]~~(iii), books and records that a seller
1604 keeps in the seller's regular course of business includes books and records the seller keeps in
1605 the regular course of business for nontax purposes.

1606 (e) Subject to Subsections (2)(f) and (g), a tax rate repeal or tax rate change for a tax
1607 rate imposed under the following shall take effect on the first day of a calendar quarter:

1608 (i) Subsection (2)(a)(i)(A);

1609 (ii) Subsection (2)(b)(i);

1610 (iii) Subsection (2)(c)(i); or

1611 (iv) Subsection (2)(d)(i)(A)(I).

1612 (f) (i) A tax rate increase shall take effect on the first day of the first billing period that

1613 begins after the effective date of the tax rate increase if the billing period for the transaction
1614 begins before the effective date of a tax rate increase imposed under:

- 1615 (A) Subsection (2)(a)(i)(A);
- 1616 (B) Subsection (2)(b)(i);
- 1617 (C) Subsection (2)(c)(i); or
- 1618 (D) Subsection (2)(d)(i)(A)(I).

1619 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
1620 billing period that began before the effective date of the repeal of the tax or the tax rate
1621 decrease if the billing period for the transaction begins before the effective date of the repeal of
1622 the tax or the tax rate decrease imposed under:

- 1623 (A) Subsection (2)(a)(i)(A);
- 1624 (B) Subsection (2)(b)(i);
- 1625 (C) Subsection (2)(c)(i); or
- 1626 (D) Subsection (2)(d)(i)(A)(I).

1627 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
1628 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
1629 or change in a tax rate takes effect:

- 1630 (A) on the first day of a calendar quarter; and
- 1631 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1632 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:

- 1633 (A) Subsection (2)(a)(i)(A);
- 1634 (B) Subsection (2)(b)(i);
- 1635 (C) Subsection (2)(c)(i); or
- 1636 (D) Subsection (2)(d)(i)(A)(I).

1637 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1638 the commission may by rule define the term "catalogue sale."

1639 (3) (a) The following state taxes shall be deposited into the General Fund:

- 1640 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 1641 (ii) the tax imposed by Subsection (2)(b)(i);
- 1642 (iii) the tax imposed by Subsection (2)(c)(i); or
- 1643 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

1644 (b) The following local taxes shall be distributed to a county, city, or town as provided
1645 in this chapter:

- 1646 (i) the tax imposed by Subsection (2)(a)(ii);
- 1647 (ii) the tax imposed by Subsection (2)(b)(ii);
- 1648 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 1649 (iv) the tax imposed by Subsection (2)(d)(i)(B).

1650 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1651 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
1652 through (g):

1653 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

1654 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

1655 (B) for the fiscal year; or

1656 (ii) \$17,500,000.

1657 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1658 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
1659 Department of Natural Resources to:

1660 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
1661 protect sensitive plant and animal species; or

1662 (B) award grants, up to the amount authorized by the Legislature in an appropriations
1663 act, to political subdivisions of the state to implement the measures described in Subsections
1664 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

1665 (ii) Money transferred to the Department of Natural Resources under Subsection
1666 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
1667 person to list or attempt to have listed a species as threatened or endangered under the
1668 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1669 (iii) At the end of each fiscal year:

1670 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1671 Conservation and Development Fund created in Section 73-10-24;

1672 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1673 Program Subaccount created in Section 73-10c-5; and

1674 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

1675 Program Subaccount created in Section 73-10c-5.

1676 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
1677 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
1678 created in Section 4-18-6.

1679 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
1680 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
1681 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
1682 water rights.

1683 (ii) At the end of each fiscal year:

1684 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1685 Conservation and Development Fund created in Section 73-10-24;

1686 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1687 Program Subaccount created in Section 73-10c-5; and

1688 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1689 Program Subaccount created in Section 73-10c-5.

1690 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
1691 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
1692 Fund created in Section 73-10-24 for use by the Division of Water Resources.

1693 (ii) In addition to the uses allowed of the Water Resources Conservation and
1694 Development Fund under Section 73-10-24, the Water Resources Conservation and
1695 Development Fund may also be used to:

1696 (A) conduct hydrologic and geotechnical investigations by the Division of Water
1697 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
1698 quantifying surface and ground water resources and describing the hydrologic systems of an
1699 area in sufficient detail so as to enable local and state resource managers to plan for and
1700 accommodate growth in water use without jeopardizing the resource;

1701 (B) fund state required dam safety improvements; and

1702 (C) protect the state's interest in interstate water compact allocations, including the
1703 hiring of technical and legal staff.

1704 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1705 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount

1706 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1707 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1708 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
1709 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1710 (i) provide for the installation and repair of collection, treatment, storage, and
1711 distribution facilities for any public water system, as defined in Section 19-4-102;

1712 (ii) develop underground sources of water, including springs and wells; and

1713 (iii) develop surface water sources.

1714 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1715 2006, the difference between the following amounts shall be expended as provided in this
1716 Subsection (5), if that difference is greater than \$1:

1717 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
1718 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

1719 (ii) \$17,500,000.

1720 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

1721 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
1722 credits; and

1723 (B) expended by the Department of Natural Resources for watershed rehabilitation or
1724 restoration.

1725 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1726 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
1727 created in Section 73-10-24.

1728 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
1729 remaining difference described in Subsection (5)(a) shall be:

1730 (A) transferred each fiscal year to the Division of Water Resources as dedicated
1731 credits; and

1732 (B) expended by the Division of Water Resources for cloud-seeding projects
1733 authorized by Title 73, Chapter 15, Modification of Weather.

1734 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1735 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
1736 created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 94% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.

(f) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in the Transportation Fund created by Section 72-2-102.

(7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).

(b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).

(8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in Subsection (7)(a), and until Subsection (8)(c) applies, for the 2011-12 fiscal year only, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(c) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be

1799 paid from revenues deposited in the Centennial Highway Fund Restricted Account as
1800 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the
1801 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by
1802 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the
1803 revenues collected from the following taxes, which represents a portion of the approximately
1804 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and
1805 vehicle-related products:

- 1806 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 1807 (ii) the tax imposed by Subsection (2)(b)(i);
- 1808 (iii) the tax imposed by Subsection (2)(c)(i); and
- 1809 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

1810 (d) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
1811 Subsection (7)(a), until Subsection (8)(e) applies, and subject to Subsection (8)(f), for a fiscal
1812 year beginning on or after July 1, 2012, the Division of Finance shall deposit into the
1813 Centennial Highway Fund Restricted Account created by Section 72-2-118:

1814 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
1815 the revenues collected from the following taxes, which represents a portion of the
1816 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
1817 on vehicles and vehicle-related products:

- 1818 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 1819 (B) the tax imposed by Subsection (2)(b)(i);
- 1820 (C) the tax imposed by Subsection (2)(c)(i); and
- 1821 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1822 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
1823 current fiscal year from the sales and use taxes described in Subsections (8)(d)(i)(A) through
1824 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
1825 (8)(d)(i)(A) through (D) in the 2010-11 fiscal year.

1826 (e) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
1827 Subsection (7)(b), and subject to Subsection (8)(f), when the highway general obligation bonds
1828 have been paid off and the highway projects completed that are intended to be paid from
1829 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the

1830 Executive Appropriations Committee under Subsection 72-2-118(6)(d), for a fiscal year
1831 beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation
1832 Investment Fund of 2005 created by Section 72-2-124:

1833 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
1834 the revenues collected from the following taxes, which represents a portion of the
1835 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
1836 on vehicles and vehicle-related products:

1837 (A) the tax imposed by Subsection (2)(a)(i)(A);

1838 (B) the tax imposed by Subsection (2)(b)(i);

1839 (C) the tax imposed by Subsection (2)(c)(i); and

1840 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1841 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
1842 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through
1843 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
1844 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.

1845 (f) (i) Subject to Subsections (8)(f)(ii) and (iii), in any fiscal year that the portion of the
1846 sales and use taxes deposited under Subsection (8)(d) or (e) represents an amount that is a total
1847 lower percentage of the sales and use taxes described in Subsections (8)(e)(i)(A) through (D)
1848 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
1849 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
1850 (8)(d) or (e) equal to the product of:

1851 (A) the total percentage of sales and use taxes deposited under Subsection (8)(d) or (e)
1852 in the previous fiscal year; and

1853 (B) the total sales and use tax revenue generated by the taxes described in Subsections
1854 (8)(e)(i)(A) through (D) in the current fiscal year.

1855 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
1856 Subsection (8)(d) or (e) would exceed 17% of the revenues collected from the sales and use
1857 taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year, the Division
1858 of Finance shall deposit 17% of the revenues collected from the sales and use taxes described
1859 in Subsections (8)(e)(i)(A) through (D) for the current fiscal year under Subsection (8)(d) or
1860 (e).

(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) was deposited under Subsection (8)(d) or (e), the Division of Finance shall annually deposit 17% of the revenues collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year under Subsection (8)(d) or (e).

(9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

(b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal year beginning on or after July 1, 2009, the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

(c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

(11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).

(ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and

1892 food ingredients described in Subsection (2)(e).

1893 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),
1894 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general
1895 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway
1896 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)
1897 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall
1898 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
1899 amount of tax revenue generated by a .025% tax rate on the transactions described in
1900 Subsection (1).

1901 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
1902 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
1903 charged for food and food ingredients, except for tax revenue generated by a bundled
1904 transaction attributable to food and food ingredients and tangible personal property other than
1905 food and food ingredients described in Subsection (2)(e).

1906 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
1907 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
1908 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
1909 .025% tax rate on the transactions described in Subsection (1) to be expended to address
1910 chokepoints in construction management.

1911 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
1912 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
1913 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
1914 and food ingredients and tangible personal property other than food and food ingredients
1915 described in Subsection (2)(e).

1916 Section 3. Section **59-12-104** is amended to read:

1917 **59-12-104. Exemptions.**

1918 The following sales and uses are exempt from the taxes imposed by this chapter:

1919 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
1920 under Chapter 13, Motor and Special Fuel Tax Act;

1921 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
1922 subdivisions; however, this exemption does not apply to sales of:

1923 (a) construction materials except:
1924 (i) construction materials purchased by or on behalf of institutions of the public
1925 education system as defined in Utah Constitution Article X, Section 2, provided the
1926 construction materials are clearly identified and segregated and installed or converted to real
1927 property which is owned by institutions of the public education system; and
1928 (ii) construction materials purchased by the state, its institutions, or its political
1929 subdivisions which are installed or converted to real property by employees of the state, its
1930 institutions, or its political subdivisions; or
1931 (b) tangible personal property in connection with the construction, operation,
1932 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities
1933 providing additional project capacity, as defined in Section 11-13-103;
1934 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
1935 (i) the proceeds of each sale do not exceed \$1; and
1936 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
1937 the cost of the item described in Subsection (3)(b) as goods consumed; and
1938 (b) Subsection (3)(a) applies to:
1939 (i) food and food ingredients; or
1940 (ii) prepared food;
1941 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
1942 (i) alcoholic beverages;
1943 (ii) food and food ingredients; or
1944 (iii) prepared food;
1945 (b) sales of tangible personal property or a product transferred electronically:
1946 (i) to a passenger;
1947 (ii) by a commercial airline carrier; and
1948 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
1949 (c) services related to Subsection (4)(a) or (b);
1950 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
1951 and equipment:
1952 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
1953 North American Industry Classification System of the federal Executive Office of the

1954 President, Office of Management and Budget; and
1955 (II) for:
1956 (Aa) installation in an aircraft, including services relating to the installation of parts or
1957 equipment in the aircraft;
1958 (Bb) renovation of an aircraft; or
1959 (Cc) repair of an aircraft; or
1960 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
1961 commerce; or
1962 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
1963 aircraft operated by a common carrier in interstate or foreign commerce; and
1964 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
1965 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a
1966 refund:
1967 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;
1968 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;
1969 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for
1970 the sale prior to filing for the refund;
1971 (iv) for sales and use taxes paid under this chapter on the sale;
1972 (v) in accordance with Section 59-1-1410; and
1973 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
1974 the person files for the refund on or before September 30, 2011;
1975 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
1976 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
1977 exhibitor, distributor, or commercial television or radio broadcaster;
1978 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal
1979 property if the cleaning or washing of the tangible personal property is not assisted cleaning or
1980 washing of tangible personal property;
1981 (b) if a seller that sells at the same business location assisted cleaning or washing of
1982 tangible personal property and cleaning or washing of tangible personal property that is not
1983 assisted cleaning or washing of tangible personal property, the exemption described in
1984 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning

1985 or washing of the tangible personal property; and
1986 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
1987 Utah Administrative Rulemaking Act, the commission may make rules:
1988 (i) governing the circumstances under which sales are at the same business location;
1989 and
1990 (ii) establishing the procedures and requirements for a seller to separately account for
1991 sales of assisted cleaning or washing of tangible personal property;
1992 (8) sales made to or by religious or charitable institutions in the conduct of their regular
1993 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are
1994 fulfilled;
1995 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of
1996 this state if the vehicle is:
1997 (a) not registered in this state; and
1998 (b) (i) not used in this state; or
1999 (ii) used in this state:
2000 (A) if the vehicle is not used to conduct business, for a time period that does not
2001 exceed the longer of:
2002 (I) 30 days in any calendar year; or
2003 (II) the time period necessary to transport the vehicle to the borders of this state; or
2004 (B) if the vehicle is used to conduct business, for the time period necessary to transport
2005 the vehicle to the borders of this state;
2006 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
2007 (i) the item is intended for human use; and
2008 (ii) (A) a prescription was issued for the item; or
2009 (B) the item was purchased by a hospital or other medical facility; and
2010 (b) (i) Subsection (10)(a) applies to:
2011 (A) a drug;
2012 (B) a syringe; or
2013 (C) a stoma supply; and
2014 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2015 commission may by rule define the terms:

2016 (A) "syringe"; or
2017 (B) "stoma supply";
2018 (11) sales or use of property, materials, or services used in the construction of or
2019 incorporated in pollution control facilities allowed by Sections 19-2-123 through 19-2-127;
2020 (12) (a) sales of an item described in Subsection (12)(c) served by:
2021 (i) the following if the item described in Subsection (12)(c) is not available to the
2022 general public:
2023 (A) a church; or
2024 (B) a charitable institution;
2025 (ii) an institution of higher education if:
2026 (A) the item described in Subsection (12)(c) is not available to the general public; or
2027 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
2028 offered by the institution of higher education; or
2029 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
2030 (i) a medical facility; or
2031 (ii) a nursing facility; and
2032 (c) Subsections (12)(a) and (b) apply to:
2033 (i) food and food ingredients;
2034 (ii) prepared food; or
2035 (iii) alcoholic beverages;
2036 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
2037 or a product transferred electronically by a person:
2038 (i) regardless of the number of transactions involving the sale of that tangible personal
2039 property or product transferred electronically by that person; and
2040 (ii) not regularly engaged in the business of selling that type of tangible personal
2041 property or product transferred electronically;
2042 (b) this Subsection (13) does not apply if:
2043 (i) the sale is one of a series of sales of a character to indicate that the person is
2044 regularly engaged in the business of selling that type of tangible personal property or product
2045 transferred electronically;
2046 (ii) the person holds that person out as regularly engaged in the business of selling that

2047 type of tangible personal property or product transferred electronically;

2048 (iii) the person sells an item of tangible personal property or product transferred

2049 electronically that the person purchased as a sale that is exempt under Subsection (25); or

2050 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of

2051 this state in which case the tax is based upon:

2052 (A) the bill of sale or other written evidence of value of the vehicle or vessel being

2053 sold; or

2054 (B) in the absence of a bill of sale or other written evidence of value, the fair market

2055 value of the vehicle or vessel being sold at the time of the sale as determined by the

2056 commission; and

2057 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

2058 commission shall make rules establishing the circumstances under which:

2059 (i) a person is regularly engaged in the business of selling a type of tangible personal

2060 property or product transferred electronically;

2061 (ii) a sale of tangible personal property or a product transferred electronically is one of

2062 a series of sales of a character to indicate that a person is regularly engaged in the business of

2063 selling that type of tangible personal property or product transferred electronically; or

2064 (iii) a person holds that person out as regularly engaged in the business of selling a type

2065 of tangible personal property or product transferred electronically;

2066 (14) (a) except as provided in Subsection (14)(b), amounts paid or charged on or after

2067 July 1, 2006, for a purchase or lease by a manufacturing facility except for a cogeneration

2068 facility, of the following:

2069 (i) machinery and equipment that:

2070 (A) are used:

2071 (I) for a manufacturing facility except for a manufacturing facility that is a scrap

2072 recycler described in Subsection 59-12-102[(55)](56)(b):

2073 (Aa) in the manufacturing process;

2074 (Bb) to manufacture an item sold as tangible personal property; and

2075 (Cc) beginning on July 1, 2009, in a manufacturing facility described in this Subsection

2076 (14)(a)(i)(A)(I) in the state; or

2077 (II) for a manufacturing facility that is a scrap recycler described in Subsection

2078 59-12-102[(55)](56)(b):
2079 (Aa) to process an item sold as tangible personal property; and
2080 (Bb) beginning on July 1, 2009, in a manufacturing facility described in this Subsection
2081 (14)(a)(i)(A)(II) in the state; and
2082 (B) have an economic life of three or more years; and
2083 (ii) normal operating repair or replacement parts that:
2084 (A) have an economic life of three or more years; and
2085 (B) are used:
2086 (I) for a manufacturing facility except for a manufacturing facility that is a scrap
2087 recycler described in Subsection 59-12-102[(55)](56)(b):
2088 (Aa) in the manufacturing process; and
2089 (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(I) in the
2090 state; or
2091 (II) for a manufacturing facility that is a scrap recycler described in Subsection
2092 59-12-102[(55)](56)(b):
2093 (Aa) to process an item sold as tangible personal property; and
2094 (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(II) in the
2095 state;
2096 (b) amounts paid or charged on or after July 1, 2005, for a purchase or lease by a
2097 manufacturing facility that is a cogeneration facility placed in service on or after May 1, 2006,
2098 of the following:
2099 (i) machinery and equipment that:
2100 (A) are used:
2101 (I) in the manufacturing process;
2102 (II) to manufacture an item sold as tangible personal property; and
2103 (III) beginning on July 1, 2009, in a manufacturing facility described in this Subsection
2104 (14)(b) in the state; and
2105 (B) have an economic life of three or more years; and
2106 (ii) normal operating repair or replacement parts that:
2107 (A) are used:
2108 (I) in the manufacturing process; and

2109 (II) in a manufacturing facility described in this Subsection (14)(b) in the state; and
2110 (B) have an economic life of three or more years;
2111 (c) amounts paid or charged for a purchase or lease made on or after January 1, 2008,
2112 by an establishment described in NAICS Subsector 212, Mining (except Oil and Gas), or
2113 NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
2114 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining,
2115 of the 2002 North American Industry Classification System of the federal Executive Office of
2116 the President, Office of Management and Budget, of the following:

2117 (i) machinery and equipment that:
2118 (A) are used:
2119 (I) (Aa) in the production process, other than the production of real property; or
2120 (Bb) in research and development; and
2121 (II) beginning on July 1, 2009, in an establishment described in this Subsection (14)(c)
2122 in the state; and
2123 (B) have an economic life of three or more years; and
2124 (ii) normal operating repair or replacement parts that:
2125 (A) have an economic life of three or more years; and
2126 (B) are used in:
2127 (I) (Aa) the production process, except for the production of real property; and
2128 (Bb) an establishment described in this Subsection (14)(c) in the state; or
2129 (II) (Aa) research and development; and
2130 (Bb) in an establishment described in this Subsection (14)(c) in the state;
2131 (d) (i) amounts paid or charged for a purchase or lease made on or after July 1, 2010,
2132 but on or before June 30, 2014, by an establishment described in NAICS Code 518112, Web
2133 Search Portals, of the 2002 North American Industry Classification System of the federal
2134 Executive Office of the President, Office of Management and Budget, of the following:
2135 (A) machinery and equipment that:
2136 (I) are used in the operation of the web search portal;
2137 (II) have an economic life of three or more years; and
2138 (III) are used in a new or expanding establishment described in this Subsection (14)(d)
2139 in the state; and

2140 (B) normal operating repair or replacement parts that:
2141 (I) are used in the operation of the web search portal;
2142 (II) have an economic life of three or more years; and
2143 (III) are used in a new or expanding establishment described in this Subsection (14)(d)
2144 in the state; or
2145 (ii) amounts paid or charged for a purchase or lease made on or after July 1, 2014, by
2146 an establishment described in NAICS Code 518112, Web Search Portals, of the 2002 North
2147 American Industry Classification System of the federal Executive Office of the President,
2148 Office of Management and Budget, of the following:
2149 (A) machinery and equipment that:
2150 (I) are used in the operation of the web search portal; and
2151 (II) have an economic life of three or more years; and
2152 (B) normal operating repair or replacement parts that:
2153 (I) are used in the operation of the web search portal; and
2154 (II) have an economic life of three or more years;
2155 (e) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3,
2156 Utah Administrative Rulemaking Act, the commission:
2157 (i) shall by rule define the term "establishment"; and
2158 (ii) may by rule define what constitutes:
2159 (A) processing an item sold as tangible personal property;
2160 (B) the production process, except for the production of real property;
2161 (C) research and development; or
2162 (D) a new or expanding establishment described in Subsection (14)(d) in the state; and
2163 (f) on or before October 1, 2011, and every five years after October 1, 2011, the
2164 commission shall:
2165 (i) review the exemptions described in this Subsection (14) and make
2166 recommendations to the Revenue and Taxation Interim Committee concerning whether the
2167 exemptions should be continued, modified, or repealed; and
2168 (ii) include in its report:
2169 (A) an estimate of the cost of the exemptions;
2170 (B) the purpose and effectiveness of the exemptions; and

2171 (C) the benefits of the exemptions to the state;

2172 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

2173 (i) tooling;

2174 (ii) special tooling;

2175 (iii) support equipment;

2176 (iv) special test equipment; or

2177 (v) parts used in the repairs or renovations of tooling or equipment described in

2178 Subsections (15)(a)(i) through (iv); and

2179 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

2180 (i) the tooling, equipment, or parts are used or consumed exclusively in the

2181 performance of any aerospace or electronics industry contract with the United States

2182 government or any subcontract under that contract; and

2183 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),

2184 title to the tooling, equipment, or parts is vested in the United States government as evidenced

2185 by:

2186 (A) a government identification tag placed on the tooling, equipment, or parts; or

2187 (B) listing on a government-approved property record if placing a government

2188 identification tag on the tooling, equipment, or parts is impractical;

2189 (16) sales of newspapers or newspaper subscriptions;

2190 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a

2191 product transferred electronically traded in as full or part payment of the purchase price, except

2192 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,

2193 trade-ins are limited to other vehicles only, and the tax is based upon:

2194 (i) the bill of sale or other written evidence of value of the vehicle being sold and the

2195 vehicle being traded in; or

2196 (ii) in the absence of a bill of sale or other written evidence of value, the then existing

2197 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the

2198 commission; and

2199 (b) notwithstanding Subsection (17)(a), Subsection (17)(a) does not apply to the

2200 following items of tangible personal property or products transferred electronically traded in as

2201 full or part payment of the purchase price:

2202 (i) money;

2203 (ii) electricity;

2204 (iii) water;

2205 (iv) gas; or

2206 (v) steam;

2207 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property

2208 or a product transferred electronically used or consumed primarily and directly in farming

2209 operations, regardless of whether the tangible personal property or product transferred

2210 electronically:

2211 (A) becomes part of real estate; or

2212 (B) is installed by a:

2213 (I) farmer;

2214 (II) contractor; or

2215 (III) subcontractor; or

2216 (ii) sales of parts used in the repairs or renovations of tangible personal property or a

2217 product transferred electronically if the tangible personal property or product transferred

2218 electronically is exempt under Subsection (18)(a)(i); and

2219 (b) notwithstanding Subsection (18)(a), amounts paid or charged for the following are

2220 subject to the taxes imposed by this chapter:

2221 (i) (A) subject to Subsection (18)(b)(i)(B), the following if used in a manner that is

2222 incidental to farming:

2223 (I) machinery;

2224 (II) equipment;

2225 (III) materials; or

2226 (IV) supplies; and

2227 (B) tangible personal property that is considered to be used in a manner that is

2228 incidental to farming includes:

2229 (I) hand tools; or

2230 (II) maintenance and janitorial equipment and supplies;

2231 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product

2232 transferred electronically if the tangible personal property or product transferred electronically

2233 is used in an activity other than farming; and
2234 (B) tangible personal property or a product transferred electronically that is considered
2235 to be used in an activity other than farming includes:
2236 (I) office equipment and supplies; or
2237 (II) equipment and supplies used in:
2238 (Aa) the sale or distribution of farm products;
2239 (Bb) research; or
2240 (Cc) transportation; or
2241 (iii) a vehicle required to be registered by the laws of this state during the period
2242 ending two years after the date of the vehicle's purchase;
2243 (19) sales of hay;
2244 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
2245 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
2246 garden, farm, or other agricultural produce is sold by:
2247 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
2248 agricultural produce;
2249 (b) an employee of the producer described in Subsection (20)(a); or
2250 (c) a member of the immediate family of the producer described in Subsection (20)(a);
2251 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued
2252 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
2253 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
2254 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
2255 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
2256 manufacturer, processor, wholesaler, or retailer;
2257 (23) a product stored in the state for resale;
2258 (24) (a) purchases of a product if:
2259 (i) the product is:
2260 (A) purchased outside of this state;
2261 (B) brought into this state:
2262 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
2263 (II) by a nonresident person who is not living or working in this state at the time of the

2264 purchase;

2265 (C) used for the personal use or enjoyment of the nonresident person described in

2266 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

2267 (D) not used in conducting business in this state; and

2268 (ii) for:

2269 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of

2270 the product for a purpose for which the product is designed occurs outside of this state;

2271 (B) a boat, the boat is registered outside of this state; or

2272 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

2273 outside of this state;

2274 (b) the exemption provided for in Subsection (24)(a) does not apply to:

2275 (i) a lease or rental of a product; or

2276 (ii) a sale of a vehicle exempt under Subsection (33); and

2277 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

2278 purposes of Subsection (24)(a), the commission may by rule define what constitutes the

2279 following:

2280 (i) conducting business in this state if that phrase has the same meaning in this

2281 Subsection (24) as in Subsection (63);

2282 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)

2283 as in Subsection (63); or

2284 (iii) a purpose for which a product is designed if that phrase has the same meaning in

2285 this Subsection (24) as in Subsection (63);

2286 (25) a product purchased for resale in this state, in the regular course of business, either

2287 in its original form or as an ingredient or component part of a manufactured or compounded

2288 product;

2289 (26) a product upon which a sales or use tax was paid to some other state, or one of its

2290 subdivisions, except that the state shall be paid any difference between the tax paid and the tax

2291 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if

2292 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax

2293 Act;

2294 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a

2295 person for use in compounding a service taxable under the subsections;
2296 (28) purchases made in accordance with the special supplemental nutrition program for
2297 women, infants, and children established in 42 U.S.C. Sec. 1786;
2298 (29) beginning on July 1, 1999, through June 30, 2014, sales or leases of rolls, rollers,
2299 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens
2300 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification
2301 Manual of the federal Executive Office of the President, Office of Management and Budget;
2302 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
2303 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
2304 (a) not registered in this state; and
2305 (b) (i) not used in this state; or
2306 (ii) used in this state:
2307 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
2308 time period that does not exceed the longer of:
2309 (I) 30 days in any calendar year; or
2310 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
2311 the borders of this state; or
2312 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
2313 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
2314 state;
2315 (31) sales of aircraft manufactured in Utah;
2316 (32) amounts paid for the purchase of telecommunications service for purposes of
2317 providing telecommunications service;
2318 (33) sales, leases, or uses of the following:
2319 (a) a vehicle by an authorized carrier; or
2320 (b) tangible personal property that is installed on a vehicle:
2321 (i) sold or leased to or used by an authorized carrier; and
2322 (ii) before the vehicle is placed in service for the first time;
2323 (34) (a) 45% of the sales price of any new manufactured home; and
2324 (b) 100% of the sales price of any used manufactured home;
2325 (35) sales relating to schools and fundraising sales;

2326 (36) sales or rentals of durable medical equipment if:
2327 (a) a person presents a prescription for the durable medical equipment; and
2328 (b) the durable medical equipment is used for home use only;
2329 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
2330 Section 72-11-102; and
2331 (b) the commission shall by rule determine the method for calculating sales exempt
2332 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;
2333 (38) sales to a ski resort of:
2334 (a) snowmaking equipment;
2335 (b) ski slope grooming equipment;
2336 (c) passenger ropeways as defined in Section 72-11-102; or
2337 (d) parts used in the repairs or renovations of equipment or passenger ropeways
2338 described in Subsections (38)(a) through (c);
2339 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;
2340 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
2341 amusement, entertainment, or recreation an unassisted amusement device as defined in Section
2342 59-12-102;
2343 (b) if a seller that sells or rents at the same business location the right to use or operate
2344 for amusement, entertainment, or recreation one or more unassisted amusement devices and
2345 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
2346 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
2347 amusement, entertainment, or recreation for the assisted amusement devices; and
2348 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,
2349 Utah Administrative Rulemaking Act, the commission may make rules:
2350 (i) governing the circumstances under which sales are at the same business location;
2351 and
2352 (ii) establishing the procedures and requirements for a seller to separately account for
2353 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
2354 assisted amusement devices;
2355 (41) (a) sales of photocopies by:
2356 (i) a governmental entity; or

2357 (ii) an entity within the state system of public education, including:
2358 (A) a school; or
2359 (B) the State Board of Education; or
2360 (b) sales of publications by a governmental entity;
2361 (42) amounts paid for admission to an athletic event at an institution of higher
2362 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
2363 20 U.S.C. Sec. 1681 et seq.;

2364 (43) (a) sales made to or by:
2365 (i) an area agency on aging; or
2366 (ii) a senior citizen center owned by a county, city, or town; or
2367 (b) sales made by a senior citizen center that contracts with an area agency on aging;

2368 (44) sales or leases of semiconductor fabricating, processing, research, or development
2369 materials regardless of whether the semiconductor fabricating, processing, research, or
2370 development materials:
2371 (a) actually come into contact with a semiconductor; or
2372 (b) ultimately become incorporated into real property;

2373 (45) an amount paid by or charged to a purchaser for accommodations and services
2374 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
2375 59-12-104.2;

2376 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary
2377 sports event registration certificate in accordance with Section 41-3-306 for the event period
2378 specified on the temporary sports event registration certificate;

2379 (47) sales or uses of electricity, if the sales or uses are:
2380 (a) made under a tariff adopted by the Public Service Commission of Utah only for
2381 purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy
2382 source, as designated in the tariff by the Public Service Commission of Utah; and
2383 (b) for an amount of electricity that is:
2384 (i) unrelated to the amount of electricity used by the person purchasing the electricity
2385 under the tariff described in Subsection (47)(a); and
2386 (ii) equivalent to the number of kilowatthours specified in the tariff described in
2387 Subsection (47)(a) that may be purchased under the tariff described in Subsection (47)(a);

2388 (48) sales or rentals of mobility enhancing equipment if a person presents a
2389 prescription for the mobility enhancing equipment;

2390 (49) sales of water in a:
2391 (a) pipe;
2392 (b) conduit;
2393 (c) ditch; or
2394 (d) reservoir;

2395 (50) sales of currency or coinage that constitute legal tender of the United States or of a
2396 foreign nation;

2397 (51) (a) sales of an item described in Subsection (51)(b) if the item:
2398 (i) does not constitute legal tender of any nation; and
2399 (ii) has a gold, silver, or platinum content of 80% or more; and
2400 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
2401 (i) ingot;
2402 (ii) bar;
2403 (iii) medallion; or
2404 (iv) decorative coin;

2405 (52) amounts paid on a sale-leaseback transaction;

2406 (53) sales of a prosthetic device:
2407 (a) for use on or in a human; and
2408 (b) (i) for which a prescription is required; or
2409 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

2410 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
2411 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
2412 or equipment is primarily used in the production or postproduction of the following media for
2413 commercial distribution:
2414 (i) a motion picture;
2415 (ii) a television program;
2416 (iii) a movie made for television;
2417 (iv) a music video;
2418 (v) a commercial;

2419 (vi) a documentary; or
2420 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
2421 commission by administrative rule made in accordance with Subsection (54)(d); or
2422 (b) notwithstanding Subsection (54)(a), purchases, leases, or rentals of machinery or
2423 equipment by an establishment described in Subsection (54)(c) that is used for the production
2424 or postproduction of the following are subject to the taxes imposed by this chapter:
2425 (i) a live musical performance;
2426 (ii) a live news program; or
2427 (iii) a live sporting event;
2428 (c) the following establishments listed in the 1997 North American Industry
2429 Classification System of the federal Executive Office of the President, Office of Management
2430 and Budget, apply to Subsections (54)(a) and (b):
2431 (i) NAICS Code 512110; or
2432 (ii) NAICS Code 51219; and
2433 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2434 commission may by rule:
2435 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
2436 or
2437 (ii) define:
2438 (A) "commercial distribution";
2439 (B) "live musical performance";
2440 (C) "live news program"; or
2441 (D) "live sporting event";
2442 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
2443 on or before June 30, 2019, of machinery or equipment that:
2444 (i) is leased or purchased for or by a facility that:
2445 (A) is a renewable energy production facility;
2446 (B) is located in the state; and
2447 (C) (I) becomes operational on or after July 1, 2004; or
2448 (II) has its generation capacity increased by one or more megawatts on or after July 1,
2449 2004, as a result of the use of the machinery or equipment;

2450 (ii) has an economic life of five or more years; and
2451 (iii) is used to make the facility or the increase in capacity of the facility described in
2452 Subsection (55)(a)(i) operational up to the point of interconnection with an existing
2453 transmission grid including:
2454 (A) a wind turbine;
2455 (B) generating equipment;
2456 (C) a control and monitoring system;
2457 (D) a power line;
2458 (E) substation equipment;
2459 (F) lighting;
2460 (G) fencing;
2461 (H) pipes; or
2462 (I) other equipment used for locating a power line or pole; and
2463 (b) this Subsection (55) does not apply to:
2464 (i) machinery or equipment used in construction of:
2465 (A) a new renewable energy production facility; or
2466 (B) the increase in the capacity of a renewable energy production facility;
2467 (ii) contracted services required for construction and routine maintenance activities;
2468 and
2469 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
2470 of the facility described in Subsection (55)(a)(i)(C)(II), machinery or equipment used or
2471 acquired after:
2472 (A) the renewable energy production facility described in Subsection (55)(a)(i) is
2473 operational as described in Subsection (55)(a)(iii); or
2474 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
2475 in Subsection (55)(a)(iii);
2476 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
2477 on or before June 30, 2019, of machinery or equipment that:
2478 (i) is leased or purchased for or by a facility that:
2479 (A) is a waste energy production facility;
2480 (B) is located in the state; and

2481 (C) (I) becomes operational on or after July 1, 2004; or
2482 (II) has its generation capacity increased by one or more megawatts on or after July 1,
2483 2004, as a result of the use of the machinery or equipment;
2484 (ii) has an economic life of five or more years; and
2485 (iii) is used to make the facility or the increase in capacity of the facility described in
2486 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
2487 transmission grid including:
2488 (A) generating equipment;
2489 (B) a control and monitoring system;
2490 (C) a power line;
2491 (D) substation equipment;
2492 (E) lighting;
2493 (F) fencing;
2494 (G) pipes; or
2495 (H) other equipment used for locating a power line or pole; and
2496 (b) this Subsection (56) does not apply to:
2497 (i) machinery or equipment used in construction of:
2498 (A) a new waste energy facility; or
2499 (B) the increase in the capacity of a waste energy facility;
2500 (ii) contracted services required for construction and routine maintenance activities;
2501 and
2502 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
2503 described in Subsection (56)(a)(i)(C)(II), machinery or equipment used or acquired after:
2504 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
2505 described in Subsection (56)(a)(iii); or
2506 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
2507 in Subsection (56)(a)(iii);
2508 (57) (a) leases of five or more years or purchases made on or after July 1, 2004 but on
2509 or before June 30, 2019, of machinery or equipment that:
2510 (i) is leased or purchased for or by a facility that:
2511 (A) is located in the state;

2512 (B) produces fuel from biomass energy including:
2513 (I) methanol; or
2514 (II) ethanol; and
2515 (C) (I) becomes operational on or after July 1, 2004; or
2516 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
2517 a result of the installation of the machinery or equipment;
2518 (ii) has an economic life of five or more years; and
2519 (iii) is installed on the facility described in Subsection (57)(a)(i);
2520 (b) this Subsection (57) does not apply to:
2521 (i) machinery or equipment used in construction of:
2522 (A) a new facility described in Subsection (57)(a)(i); or
2523 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
2524 (ii) contracted services required for construction and routine maintenance activities;
2525 and
2526 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
2527 described in Subsection (57)(a)(i)(C)(II), machinery or equipment used or acquired after:
2528 (A) the facility described in Subsection (57)(a)(i) is operational; or
2529 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
2530 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a
2531 product transferred electronically to a person within this state if that tangible personal property
2532 or product transferred electronically is subsequently shipped outside the state and incorporated
2533 pursuant to contract into and becomes a part of real property located outside of this state;
2534 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
2535 state or political entity to which the tangible personal property is shipped imposes a sales, use,
2536 gross receipts, or other similar transaction excise tax on the transaction against which the other
2537 state or political entity allows a credit for sales and use taxes imposed by this chapter; and
2538 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
2539 a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a
2540 refund:
2541 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;
2542 (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on

2543 which the sale is made;

2544 (iii) if the person did not claim the exemption allowed by this Subsection (58) for the

2545 sale prior to filing for the refund;

2546 (iv) for sales and use taxes paid under this chapter on the sale;

2547 (v) in accordance with Section 59-1-1410; and

2548 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if

2549 the person files for the refund on or before June 30, 2011;

2550 (59) purchases:

2551 (a) of one or more of the following items in printed or electronic format:

2552 (i) a list containing information that includes one or more:

2553 (A) names; or

2554 (B) addresses; or

2555 (ii) a database containing information that includes one or more:

2556 (A) names; or

2557 (B) addresses; and

2558 (b) used to send direct mail;

2559 (60) redemptions or repurchases of a product by a person if that product was:

2560 (a) delivered to a pawnbroker as part of a pawn transaction; and

2561 (b) redeemed or repurchased within the time period established in a written agreement

2562 between the person and the pawnbroker for redeeming or repurchasing the product;

2563 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

2564 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

2565 and

2566 (ii) has a useful economic life of one or more years; and

2567 (b) the following apply to Subsection (61)(a):

2568 (i) telecommunications enabling or facilitating equipment, machinery, or software;

2569 (ii) telecommunications equipment, machinery, or software required for 911 service;

2570 (iii) telecommunications maintenance or repair equipment, machinery, or software;

2571 (iv) telecommunications switching or routing equipment, machinery, or software; or

2572 (v) telecommunications transmission equipment, machinery, or software;

2573 (62) (a) beginning on July 1, 2006, and ending on June 30, 2016, purchases of tangible

2574 personal property or a product transferred electronically that are used in the research and
2575 development of coal-to-liquids, oil shale, or tar sands technology; and

2576 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2577 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
2578 purchases of tangible personal property or a product transferred electronically that are used in
2579 the research and development of coal-to-liquids, oil shale, and tar sands technology;

2580 (63) (a) purchases of tangible personal property or a product transferred electronically
2581 if:

2582 (i) the tangible personal property or product transferred electronically is:

2583 (A) purchased outside of this state;

2584 (B) brought into this state at any time after the purchase described in Subsection
2585 (63)(a)(i)(A); and

2586 (C) used in conducting business in this state; and

2587 (ii) for:

2588 (A) tangible personal property or a product transferred electronically other than the
2589 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property
2590 for a purpose for which the property is designed occurs outside of this state; or

2591 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
2592 outside of this state;

2593 (b) the exemption provided for in Subsection (63)(a) does not apply to:

2594 (i) a lease or rental of tangible personal property or a product transferred electronically;
2595 or

2596 (ii) a sale of a vehicle exempt under Subsection (33); and

2597 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
2598 purposes of Subsection (63)(a), the commission may by rule define what constitutes the
2599 following:

2600 (i) conducting business in this state if that phrase has the same meaning in this
2601 Subsection (63) as in Subsection (24);

2602 (ii) the first use of tangible personal property or a product transferred electronically if
2603 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

2604 (iii) a purpose for which tangible personal property or a product transferred

2605 electronically is designed if that phrase has the same meaning in this Subsection (63) as in
2606 Subsection (24);

2607 (64) sales of disposable home medical equipment or supplies if:

2608 (a) a person presents a prescription for the disposable home medical equipment or
2609 supplies;

2610 (b) the disposable home medical equipment or supplies are used exclusively by the
2611 person to whom the prescription described in Subsection (64)(a) is issued; and

2612 (c) the disposable home medical equipment and supplies are listed as eligible for
2613 payment under:

2614 (i) Title XVIII, federal Social Security Act; or

2615 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

2616 (65) sales:

2617 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
2618 District Act; or

2619 (b) of tangible personal property to a subcontractor of a public transit district, if the
2620 tangible personal property is:

2621 (i) clearly identified; and

2622 (ii) installed or converted to real property owned by the public transit district;

2623 (66) sales of construction materials:

2624 (a) purchased on or after July 1, 2010;

2625 (b) purchased by, on behalf of, or for the benefit of an international airport:

2626 (i) located within a county of the first class; and

2627 (ii) that has a United States customs office on its premises; and

2628 (c) if the construction materials are:

2629 (i) clearly identified;

2630 (ii) segregated; and

2631 (iii) installed or converted to real property:

2632 (A) owned or operated by the international airport described in Subsection (66)(b); and

2633 (B) located at the international airport described in Subsection (66)(b);

2634 (67) sales of construction materials:

2635 (a) purchased on or after July 1, 2008;

2636 (b) purchased by, on behalf of, or for the benefit of a new airport:
2637 (i) located within a county of the second class; and
2638 (ii) that is owned or operated by a city in which an airline as defined in Section
2639 59-2-102 is headquartered; and
2640 (c) if the construction materials are:
2641 (i) clearly identified;
2642 (ii) segregated; and
2643 (iii) installed or converted to real property:
2644 (A) owned or operated by the new airport described in Subsection (67)(b);
2645 (B) located at the new airport described in Subsection (67)(b); and
2646 (C) as part of the construction of the new airport described in Subsection (67)(b);
2647 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
2648 (69) purchases and sales described in Section 63H-4-111;
2649 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
2650 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
2651 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
2652 lists a state or country other than this state as the location of registry of the fixed wing turbine
2653 powered aircraft; or
2654 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
2655 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
2656 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
2657 lists a state or country other than this state as the location of registry of the fixed wing turbine
2658 powered aircraft;
2659 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
2660 (a) to a person admitted to an institution of higher education; and
2661 (b) by a seller, other than a bookstore owned by an institution of higher education, if
2662 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
2663 textbook for a higher education course; and
2664 (72) a license fee or tax a municipality imposes in accordance with Subsection
2665 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
2666 level of municipal services.

2667 Section 4. **Effective date.**

2668 This bill takes effect on July 1, 2012.